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# Southeast Asia Report

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27 APRIL 1987

## SOUTHEAST ASIA REPORT

## CONTENTS

## LAOS

|  |   |
|--|---|
| New Economic Mechanism Contrasted With Former System<br>(PASASON, various dates) ..... | 1 |
| Control Mechanisms Compared  | 1 |
| Market Orientation of New System   | 2 |
| Role of Banks, Salaries, Prices  | 3 |
| Transition to Socialism  | 4 |
| Failings of Old System, Need for Reform  | 6 |

## MALAYSIA

|  |    |
|--|----|
| New MCA Crisis of Confidence Viewed<br>(Idzan Ismail; UTUSAN MALAYSIA, 19 Feb 87) .....                                | 8  |
| University Lecturers Disseminating Shi'ite Teachings Watched<br>(Mohd. Noor Che Mat; UTUSAN MALAYSIA, 20 Feb 87) ..... | 10 |
| More Malaysians To Study in Indonesian Universities<br>(BERITA HARIAN, 26 Feb 87) .....                                | 12 |
| Briefs   |    |
| Iban Dialect in Sarawak Schools  | 14 |

## PAPUA NEW GUINEA

|                            |    |
|----------------------------|----|
| Briefs                     |    |
| Cabinet Reshuffle Reported | 15 |

## VIETNAM

## MILITARY

|  |    |
|--|----|
| Prompt Adjudication of Law Violations Urged<br>(Do Xuan Do; PHAP CHE XA HOI CHU NGHIA, No 5, Dec 86) ... | 16 |
|--|----|

## POLITICAL

|  |    |
|--|----|
| Ho Chi Minh City Party Units Admit New Members<br>(SAIGON GIAI PHONG, 3 Jan 87) .....                        | 19 |
| Ho Chi Minh City Party Committee Issues Notice<br>(SAIGON GIAI PHONG, 14 Jan 87) .....                       | 20 |
| Improvement of Cadre, Party Member Quality Discussed<br>(Van Hai; NHAN DAN, 3 Feb 87) .....                  | 23 |
| Seventh Session of Municipal People's Conference Convened<br>(SAIGON GIAI PHONG, 17 Jan 87) .....            | 27 |
| Disclosure of Lower Echelons' False Reports, Deceptive Tricks<br>(Pham Thanh Dam; NHAN DAN, 23 Jan 87) ..... | 29 |

## ECONOMIC

|  |    |
|--|----|
| Planning Official Comments on 1986-90 Five-Year Plan<br>(Minh Dung; TAP CHI KE HOACH HOA, Dec 86) .....              | 32 |
| Signs of Economic Revitalization Noted in 1986<br>(Minh Le; SAIGON GIAI PHONG, 1 Jan 87) .....                       | 41 |
| Municipal Cadres Voice Economic Policy Concerns<br>(Vo Han Lam; SAIGON GIAI PHONG, 26 Feb 87) .....                  | 43 |
| Editorial Comments on Liberating Production<br>(SAIGON GIAI PHONG, 14 Jan 87) .....                                  | 46 |
| Ho Chi Minh City Agricultural Plan Discussed<br>(Tran Quoc Khai; NHAN DAN, 26 Jan 87) .....                          | 48 |
| Agriculture Termed Number-One Front<br>(Le Ngoc; THONG KE, Dec 86) .....   | 51 |
| Ho Chi Minh City Agricultural Programs Discussed<br>(SAIGON GIAI PHONG, 14 Jan 87) .....                             | 56 |
| Editorial Lists Steps in Increasing Food Production<br>(SAIGON GIAI PHONG, 3 Jan 87) .....                           | 57 |
| Serious Infractions of Pricing Regulations Uncovered<br>(NHAN DAN, 23 Jan 87) .....                                  | 59 |
| Reasons for Recent Price Increases Explained<br>(Nguyen Dang Khanh Interview; QUAN DOI NHAN DAN,<br>13 Jan 87) ..... | 61 |
| Problems With Cooperative Business Stores in Ho Chi Minh City<br>(Thu Ha; QUAN DOI NHAN DAN, 15 Jan 87) .....        | 65 |

|  |     |
|--|-----|
| Suitable Policies To Boost Enterprise Autonomy Proposed<br>(NHAN DAN, 23 Jan 87) .....                             | 69  |
| Role of Bank in Support of Decision 34 Explained<br>(Pham The Cung Interview; SAIGON GIAI PHONG, 17 Jan 87) .....  | 72  |
| Tax Official Explains Tax on Individual Producers<br>(Doan Dinh Chi Interview; SAIGON GIAI PHONG, 15 Jan 87) ..... | 75  |
| Table of Contents of December Planning Journal<br>(TAP CHI KE HOACH HOA, No 12, Dec 86) .....                      | 77  |
| National Assembly Delegate Speaks on Economic Management<br>(Tran Suyen; NHAN DAN, 14 Jan 87) .....                | 78  |
| National Assembly Delegate Discusses Small Industry-Handicrafts<br>(Nguyen Kim; NHAN DAN, 14 Jan 87) .....         | 81  |
| National Assembly Delegate Speaks on Coffee Exports<br>(Doan Trieu Nhan; NHAN DAN, 14 Jan 87) .....                | 83  |
| Port of Da Nang Said To Improve Operations<br>(Dang Minh Phuong; NHAN DAN, 3 Feb 87) .....                         | 87  |
| Hanoi Small Industry Sector Seeks Production Materials<br>(NHAN DAN, 3 Feb 87) .....                               | 90  |
| Vang Danh Coal Mine Produces Nearly 2,000 Tons Per Day<br>(NHAN DAN, 3 Feb 87) .....                               | 92  |
| SOCIAL ISSUES  |     |
| Development of Education in Ethnic Minority Areas Urged<br>(Trinh Van Ngan; NHAN DAN, 26 Jan 87) .....             | 93  |
| Ha Na Nam Settlers Go to New Economic Zones<br>(NHAN DAN, 27 Jan 87) .....   | 96  |
| Examples of Unfairness in Policies, Distribution Practices<br>(Khanh Van; QUAN DOI NHAN DAN, 10 Jan 87) .....      | 97  |
| Tough Measures Urged To Curb Alcohol Consumption<br>(Tuan Minh; QUAN DOI NHAN DAN, 17 Jan 87) .....                | 100 |
| Violations of Regulations, Policies Toward Workers Revealed<br>(SAIGON GIAI PHONG, 15 Jan 87) .....                | 102 |
| SAIGON GIAI PHONG Editor Comments on Renovation<br>(SAIGON GIAI PHONG, 1 Jan 87) .....                             | 103 |
| Briefs   |     |
| Families Restored To Registry .....  | 105 |

## NEW ECONOMIC MECHANISM CONTRASTED WITH FORMER SYSTEM

### Control Mechanisms Compared

Vientiane PASASON in Lao 18 Oct 86 p 3

["Learning About the New Mechanism" Column: "How Do the Old and New Mechanisms Carry Out the Two Duties of Economic Management and Implementation of Economic Regulations?"]

[Text] When the two duties of economic and business management were combined under the old mechanism, the administrative organizations interfered in business affairs, the government organizations did not focus on their true duties and, worse still, the economic management organizations are still very much in control, and are operating in the place of business organizations, and have put the business units in a defensive position. On the other hand, in the new mechanism there must be a clear and correct combination based on the two duties of economic and business management. The main economic units are their own masters in earning a living, trading, engaging in importing and exporting, making sure that the demands of society are being met, and making a profit in business without anyone having to compensate for losses. No government organizations are allowed to interfere in business affairs, and can only use the tools to carry out their management duty effectively, such as developing a strategy, schedules, plans, policies and business laws, and inspecting business.

Another thing is that the old mechanism is removed from economic laws. For example, the government sets a low price and is unable to pay for the production expenses because the law of value has not yet been applied, and salaries are paid on an average basis. There is an imbalance between the salaries of good and poor workers because the regulations concerning distribution based on labor have not yet been implemented. On the other hand, the economic regulations must be applied correctly under the new mechanism. We all know that the transition period is one of both socialism and nonsocialism. It is the time when many economic sectors coexist. For example, there is the capitalist economy, feudalism, the traditional ways and the socialist economy. Thus, many kinds of economic laws are operating: the laws of socioeconomic activity. For example, the law of production relationships must be consistent with the nature and the level of expansion of the productive forces. However, the laws of production are quite broad: the laws of all socioeconomic activity, on value, supply and demand. The laws of capitalism, such as the law of surplus value still operate at a definite level in the private and state capitalist economic sectors [as do] the laws of the socialist economy, such as the planned expansion of the national economy.

In the transition period these laws are mutually conflictive and self-limiting. Therefore, we must know how to use them as a whole, and to boost determination and eliminate their negative in ways that will benefit socialism.

We should realize that understanding and applying economic laws is an extremely difficult problem. We will not be able to do it correctly in one day. Instead, we must gradually learn from experience so as to have a better understanding, and modify our actions so they will be ever more correct. This demands economic managers not only be sensitive to the new mechanism, but must also be bold in its use. Although it is still incomplete, those in control need to have the courage to leave behind the "old traces" and "old habits" which have been proven to be no longer suitable, and in fact are obstacles to production and to our standard of living.

#### Market Orientation of New System

Vientiane PASASON in Lao 21 Oct 86 p 3

["Learning About the New Mechanism" Column: "The New Mechanism Differs From the Old One in Planning"]

[Text] The difference between the old and new mechanisms regarding planning is shown in three basic problems. First, the old mechanism emphasizes taking orders and takes the application of various policies lightly, for example, when the people are mobilized to grow tobacco without any policy being made for a reasonable purchase price, result is that the people have no interest in growing tobacco. The government goals are set for production for enterprises, but there is no reasonable policy on salary. The salaries of those who sit in the office and those who actually produce are not proper, and this results in a lack of enthusiasm on the part of the workers to complete the government's plans for production. On the other hand, the new mechanism closely combines the plan and the policy. We must use different policies to promote the implementation of the plan and to make sure that the plan is being successfully carried out. This means that the policy must be considered an important issue.

Secondly, under the old mechanism government organizations set too many norms. The government wanted to have detailed norms for everything, even though some were not consistent with the actual situation. As a result, the business owners had no way to study the situation comprehensively. On the other hand, under the new mechanism the government will give two basic norms. First, there are those for the production plan which indicate the true value of the products that can be produced--including quality and quantity--for export and also for sale at a fixed price. The second are those figures in terms of plans and orders. This means the amount of money to be handed over to the government treasury.

Thirdly, the old mechanism separated the plan from the market, while in the new mechanism the plan must be related to the market. It must be based on the needs and the capability of the market. The new mechanism must work within the plan in order to balance the basic relations in the

national economy. It must work within the market in order to meet needs in many ways. Market here refers to the market whose objective is to supply materials and to distribute products. Domestic markets and the world market are those main economic units that are markets for other main economic units. One person is a market for another person.

Another important thing is the way we plan. Under the old mechanism, developing a plan was a process that had to go up and back down many times. Actually what was done was to issue orders from the high level to the low level by word of mouth, and many orders were in writing. The new mechanism must be sure to guarantee that the plan is developed from the grassroots up.

### Role of Banks, Salaries, Prices

Vientiane PASASON in Lao 23 Oct 86 p 2

["Learning About the New Mechanism" Column: "The New Mechanism Differs from the Old In terms of Policy"]

[Text] The difference between the new and old mechanisms in terms of policy is primarily demonstrated in terms of finance, banking, prices and salaries.

Under the old mechanism the finance policy is a subsidy policy with a complete system of income and expenses. The government gets whatever the bases earn and disburses whatever expenses the bases require. Whenever the government cannot do the disbursing or cannot do it on time, the bases end up doing no work. This is not a policy of financial mastery. Under the new mechanism the financial policy must be a business policy. Each main production unit must try to find a source of capital, and consider that it is important to improve the circulation of capital, investing a small amount and gaining a high profit, and having the capital circulate faster instead of being kept in a warehouse. The old financial policy is one of feudal centralism in which most of the expenses for various tasks done on the lower levels are all approved by the higher echelons. However, the new financial policy is a policy of financial mastery. The localities and the grassroots are responsible for balancing income and expenses on their own, and for whether there is a profit or loss.

Under the old mechanism the banks are administrative organizations that take care of the treasury, only receiving and disbursing money. They do very little business. However, under the new mechanism the banks must become business organizations. They must invert money so that businesses can generate money. Simply put, this means using money to make money. Under the old mechanism the banks interfered heavily in business affairs, and in some cases it was difficult to withdraw money from them. Under the new mechanism the banks must truly serve business, and must make it easy for the main business to make deposits and withdrawals.

Under the old mechanism prices do not reflect value. In many cases the prices are lower than the value, causing the government to be unable to grasp merchandise, because when it purchases it wants to buy at very low



prices, and also sell very cheaply. Under the new mechanism the prices must reflect the value and must be intertwined with value so that the producers will be able to be compensated for the cost of production and make a profit. Under the old mechanism the prices for exchanges between industrial goods and agricultural goods are not rational. There is a loss for some types of government goods, and for some types of farmers' goods. The new mechanism must make sure that there is a good balance between the interests of the government and the interests of the farmers. At the same time, under the old mechanism many of the prices set by the center were not suitable for the actual situation. In the new mechanism the center will set comparative prices and price parameters for a number of important goods, and only the localities and grassroots will set detailed prices based on agreements between buyers and sellers.

Under the old mechanism salaries do not guarantee the "mixed" [sam] production labor, and do not encourage the enthusiasm of cadres and workers in production, causing them to become discouraged socioeconomically. However, under the new mechanism salaries must accept the "mixed" production labor. This means helping workers re-energize by getting at least 2,000 calories per day. Under the old mechanism salaries are still characteristically average, the discrepancy between the highest and lowest being less than a factor of two.

Also, it does not encourage good workers. In the new mechanism we must understand that the principle of distribution is based on labor. Those who work much get much, and those who work little get little. An increase in salary in the old mechanism stresses status without guaranteeing the actual salaries because of the lack of goods and unstable prices. Under the new mechanism we must consider supplying materials according to a standard in order to set the quantity as a basis for guaranteeing the actual salaries.

#### Transition to Socialism

Vientiane PASASON in Lao 24 Oct 86 pp 2, 3

["Learning About the New Mechanism" Column: "Developing a System of Socialist Production Relations"]

[Text] Our nation's economy has five parts. At the end of the transition period there will be only the socialist sector which will exist in two forms: the state economy and collective economy. There will be only two classes left in society, workers and collective farmers. There will also be socialist intellectuals who emerge from workers and farmers. There will be no exploiting classes remaining. The phenomenon where people exploit other people will be wiped out. In order to fulfill this goal, we must carry out socialist transformation for the non-socialist economic sectors. Socialist transformation is to be carried out through a transition period via suitable intermediaries (partnership between the state and private sectors) in order to take part in developing a state capitalist economy, and a definite period after that when it will change to state enterprise. Handicrafts and agricultural co-ops can be called intermediary in order to gather private working people together, and guide

them to the collective style of living. When the co-ops expand properly and conditions are all fulfilled, they might switch to state enterprise. Socialist transformation does not mean following a structure, but has the goal of expanding production, increasing the work productivity, and raising the standard of living for the working people. In order to make an effective socialist transformation we must prepare each aspect adequately, for example, organizationally, and also managerial cadres and other material and technical factors.

As for constructing the system of socialist production relations, we must understand not only the construction of a socialist property system, but a socialist economic management system as well. In order to develop an effective management system in the transition period for our country, we must have a firm understanding of the following:

1. In the transition period for our country there are five economic sectors. We must know how to promote all the latent abilities for all five in order to expand production and to raise the standard of living for the working people. The socialist transformation of the non-socialist sector must be carried out throughout the transition period. We must use the standard of production expansion as a goal in socialist transformation. Therefore, we must know how to employ all economic intermediaries and transition structure in the transformation process. We cannot hastily follow the forms which will decrease production and cause trouble for the standard of living of the working people.

2. In the transition period we must produce goods according to a plan. Therefore, it is necessary for us to be able to manage the economy in a systematic manner.

3. We must build the central economy along with expanding it in the localities. In our country today the economy must deal with the problems that exist in communications and transportation. Therefore, we must properly divide up the local management levels so they can promote creativity and the latent ability in small production so it will be able gradually to move toward large-scale socialist production. Thus, the center will be able to focus on solving the important strategic problems for the entire national economy.

4. We must increase international socialist cooperation. Cooperation and assistance of socialist nations is extremely crucial for slowly developing nations to help them to advance directly toward socialism without going through a capitalist development period.

5. We must pay adequate attention to the interests of the working people. Whether socialist production can expand or not depend on each member of society persisting in their work. They will work at their best when their material and spiritual needs are properly met. We must do away with ideology which is not consistent with the interests of the individual. It is natural that the interests of the individual be combined correctly with the interests of the collective.

6. We must have a firm understanding of dialectical materialism in economic management. In the transition period for our nation there have been many rapid economic changes, and there is a close relationship with economic phenomena during this period. Therefore, we must make systematic and thorough use of economic measures.

The substance of the relationship for socialist production also includes establishing and carrying out the collective mastery of the working people in society. In order to achieve this, we must build and promote a regime of socialist collective mastery. We must make it possible for working people to express their ideas in all areas of social life.

#### Failings of Old System, Need for Reform

Vientiane PASASON in Lao 28 Oct 86 p 2

["Learning About the New Mechanism" Column: "The New Mechanism Differs from the Old Mechanism in Terms of Organization, Production, Organizational Management and Work Techniques"]

[Text] Under the old mechanism, production organizations lack balance, they are incomplete, and they fail to relate different tasks in "mixed" production to each other. Under the new mechanism production organizations are related to business demand, they assure a complete balance, and relate industry to agriculture, production and circulation, and imports and exports, as well as carry out extensive economic and business affairs. If we construct an industrial base we must also think of agriculture interests. Under the old mechanism production organizations have a tendency to follow only large-scale in consistent with our actual ability, and the fact that we cannot absorb it. According to the new mechanism, the direction of production organizations must be to use appropriate forms and to consider primarily the small and intermediate scales. Whatever we construct we must complete quickly and efficiently and make it suitable for the production force in each location. This means taking into account the sweat, energy and wisdom of the production force who accept it, the source of materials, and the amount available.

In terms of organizational management, organization under the old mechanism was according to the saying, "the eyes are bigger than the stomach." The state management mechanism and the higher level management mechanism are rigorous, but the business management mechanism and the management mechanism at the district and grassroots levels are still weak and lack experience. Yet they want to organize all regions like the center. Under the new mechanism we must deem it important to improve the organization mechanism locally and at the grassroots. The mechanism for management organization at the center must be compact and lean, and reduce the intermediary links.

Under the old mechanism, the pattern of work remains feudal and scattered. The term "feudal" means a single dictator who only gives order. The term "dynasty" denotes the relatives and friends who work with him. The term "scattered" refers to one working for oneself with no cooperation with others. The work pattern under the new mechanism must be scientific and real. There must be a focus on total completion with redirection to the grassroots and service to the grassroots.

All that has been mentioned above is a brief description of the differences between the old and new mechanism with respect to three things--the organization of production, management and the pattern of work, which are important in bringing the actions of all the work sections in the localities and grassroots in correct agreement with the main direction.

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NEW MCA CRISIS OF CONFIDENCE VIEWED

Kuala Lumpur UTUSAN MALAYSIA in Malay 19 Feb 87 p 3

[News Analysis by Idzan Ismail: "MCA Again Faces a Crisis of Confidence"]

[Text] The MCA [Malayan Chinese Association] again faces a crisis of confidence following the arrest of Datuk Kee Yong Wee, president of the MCA Youth Movement, and Mr Wang Choon Wing, deputy minister of culture, youth and sports, who are suspected of embezzling funds from the Malaysian Youth Economic Development Co-operative (KOMUDA).

Still unable to clean up its image after the detention of Mr Tan Koon Swan, its former president, in Changi Prison because of the Pan-El case, the party, still dogged by misfortune, is wondering how it is going to solve the problem caused by these two powerful men.

For several months after the cooperative embezzlement scandal was exposed to the public, the party frequently was criticized for doing nothing to recover the money of Chinese subscribers who fell prey to these men.

In a special meeting held 2 days ago, the party decided that some of its leaders should tour the country to clarify to the Chinese people the party's role in settling the cooperative issue.

The visits would also be used to explain why changes were made in the board of directors of Multi-Purpose Holdings, Ltd (MPHB) following the resignation of Mr Lee San Choon, former MCA president.

The arrest of Datuk Kee and Mr Wang, of course, will come up and will create a dilemma for the MCA leadership in trying to decide how to respond to this issue. What is frustrating for the MCA is that it may lose another parliamentary seat, the one for Lipis, if it is involved in Mr Wang's criminal action when it is discussed in court soon.

The party may also have to give up a governmental post if Mr Wang is forced to resign from his position.

More regrettable is the fact that Mr Tan's swearing in as the Gopeng member of Parliament has not yet been arranged, and now another problem has arisen regarding Mr Wang's position in the government.

Because of the MCA's failure to settle the question of the Gopeng seat, dithering between saying it would consent to Koon Swan being sworn in for that seat and asking him to resign from the position on moral grounds, the party's leadership has been accused in many letters to the editor of being the "weakest" in the history of the MCA. According to persons close to the MCA, the party decided to let the 6 months given for Koon Swan's swearing in pass without doing anything to safeguard the party's image. At the end of this period and when a vacancy was declared to exist in the Gopeng parliamentary region by the Election Commission, the MCA would put up another candidate to replace him.

What is humiliating for the MCA is that it may run into a dead end in its effort to appoint Datuk Kee to replace Koon Swan as a candidate in Gopeng because of the KOMUDA case.

The party decided to put up Datuk Kee as the MCA candidate for the Gopeng region "to repay him for his unlimited kindnesses." It felt that Datuk Kee was the person who made the greatest effort to mobilize forces and dollars to save Koon Swan in the Pan-El crisis.

Reportedly, Datuk Kee played the biggest behind-the-scenes role in Koon Swan's defeat of Datuk Dr Neo Yee Pan in the earlier MCA leadership crisis. "Datuk Kee is respected by the Chinese community because of his modesty. He obtained an engineering degree in Australia and holds a master's degree in management from the United Kingdom. He is a reliable person and a multi-lingual leader of the MCA because he is fluent in both English and Chinese," a party source said.

The Gopeng seat is supposed to be a "gift" to him because he wagered his future in Sungai Besi in the general election, where he was defeated, even though he was given the choice of competing for a number of parliamentary seats that he could have won easily.

The arrest of the two powerful MCA men not only debases further the party's image but provides a challenge to the leadership of Datuk Dr Ling Liong Sik and his colleagues in the July party election.

In the current MCA political crisis, it is predicted that the party again will be confronted by Neo Yee Pan and his henchmen who definitely will want to try their luck again, this time using issues that are different from those stressed in last year's crisis.

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CSO: 4213/65

UNIVERSITY LECTURERS DISSEMINATING SHI'ITE TEACHINGS WATCHED

Kuala Lumpur UTUSAN MALAYSIA in Malay 20 Feb 87 p 1

[Article by Mohd. Noor Che Mat: "University Lecturers Are Being Watched; Suspected of Being Involved in Disseminating Shi'ite Teachings--Hamid Says"]

[Text] Kuala Lumpur, 19 February--The Islamic Religious Affairs Section of the prime minister's department is watching the activities of a number of local university lecturers who are suspected of disseminating Shi'ite teachings.

Assistant Professor Dr Abdul Hamid Othman, chairman of its board, said that the section has as yet been unable to determine exactly how deeply they are involved in this activity. Nevertheless, their activities are being watched.

He disclosed that a few lecturers who graduated from schools in the Middle East have frequently published misleading articles about Shi'ite teachings in the local papers. When he was contacted at his office this afternoon, Dr Hamid said a number of things discussed in these articles should only be taken up at the university level, and they properly should not be given out to the public because this would only confuse them.

"Things such as Karl Marx or Mao Tsetung communist ideologies should be discussed at the university level and not at the public level. The same is true for Shi'ite teachings," he said. Although the lecturers concerned are publishing their articles in the newspapers, he added, their involvement in the dissemination of Shi'ite teachings is still under investigation. If they are found to be involved in such activities, appropriate measures will be taken against them, Dr Hamid explained. Concerning Shi'ite teachings which reportedly are being disseminated in this country, he said the Islamic Center is aware of this, but no steps have yet been taken to prevent it.

According to a newspaper report, an Imamiyah Shi'ite organization--whose home office is located at Section 17, Petaling Jaya and which has a membership of 200--has sent many of its members to Pakistan and Iran for further study. This group reportedly is headed by a former student leader and prisoner of the ISA.

Dr Abdul Hamid called attention to the fact that he still has been unable to confirm this information, adding, "The Islamic Center is aware that Shi'ite teachings are being disseminated in this country."

## Reject the Hadits

Meanwhile, Haji Mahmad Muhtar Mahmad Salleh, director of the Selangor Islamic Religious Affairs Office (JAIS), said his side would conduct further investigations of this matter.

Reportedly, the Imamiyah Shi'ite group has its own religious school in Kuala Sungai Baharu, Melaka. Its adherents totally reject the Prophet's Hadits [traditional account of the Prophet's activities and sayings] because they believe it was written by their political enemies (the Prophet's disciples).

Also, Haji Ahmad Yunus, the Melaka Muslim consultant jurist, explained that based on the investigation of the State Religious Affairs Office, the Al-Falah Religious School, located in Kuala Sungai Baharu, is not involved in the dissemination of Shi'ite teachings.

However, Mr Abdul Rahman Hassan, principal of the school, has been brought before the court because the religious school was established without the approval of the State Religious Affairs Office.

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CSO: 4213/65



MORE MALAYSIANS TO STUDY IN INDONESIAN UNIVERSITIES

Kuala Lumpur BERITA HARIAN in Malay 26 Feb 87 p 3

[Article: "100 JPA Pioneering Students Are Selected for Study in Indonesia"]

[Text] Kuala Lumpur, Wednesday [25 February]--A hundred Public Services Department (JPA) sponsored students will continue their studies in a variety of fields in various Indonesian universities this year.

This is about 40 percent more than the number of students sent to Indonesia last year. Last year the JPA sent 69 students to Indonesia while 15 others continued their studies there at their own expense.

Mr Fuad Salim, the Indonesian Embassy's education and culture attache here, informed BERITA HARIAN that the number of students who studied in Indonesia rose after an agreement was entered into in Jakarta recently by Mr Anwar Ibrahim, minister of education, and his counterpart, Professor Fuad Hassan.

Classes Start in the Fall

According to the memorandum signed by the Indonesian Ministry of Education and Culture and the JPA in 1985, he said, only 75 government-sponsored students were to be accepted for study in Indonesia each year.

Nevertheless, according to Mr Fuad, after further discussions between Mr Anwar and Prof Fuad, Indonesia was prepared to accept more JPA-sponsored students in Indonesian universities.

Mr Fuad said JPA students are planned to begin their studies in August or September--when university classes start in Indonesia.

Indonesian universities selected by Malaysian students include the University of North Sumatra located in Meda, Andalas University in Padang, the University of Indonesia in Jakarta, Gaja Mada University in Jogjakarta, and the Bandung Technological Institute (ITB).

According to Mr Fuad, students who would like to study in Indonesian universities must pass the Selection Test for Accepting New Students (SIPENMARU). In this country, the test will be given on 16 and 17 June at the Indonesian Embassy.

Mr Fuad said his office receives about 300 applications a year from Malaysian students who would like to study in Indonesia.

He also said that the Indonesian minister of education and culture would visit Malaysia after his country's elections which are scheduled for 23 April.

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CSO: 4213/65

## BRIEFS

IBAN DIALECT IN SARAWAK SCHOOLS--Kuching, Saturday [21 February]--The Ministry of Education has agreed that the Iban dialect can become a supplemental subject of instruction like Mandarin and Tamil in the Middle School New Curriculum (KBSM) to begin soon. Datuk Patinggi Haji Abdul Taib Mahmud, chief minister, said the Iban dialect has been a supplemental subject of instruction since the Elementary School New Curriculum was introduced in this state. "However, the Iban dialect will only be taught in schools in this state where there is a majority of Iban students," he told newsmen after meeting with the representative of the Sarawak Iban Dayak Association of Student Movements (SADIA) in his office last night. Datuk Patinggi Haji Abdul Taib also said the Ministry of Education would send its officials to Sarawak next month to discuss the entry of Sarawak students into higher education institutions. It is important to have this discussion, he said, because few Sarawak students enter Malaysian higher education institutions. [Text] [Kuala Lumpur BERITA MINGGU in Malay 22 Feb 87 p 16] 6804

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CSO: 4213/65

## PAPUA NEW GUINEA

### BRIEFS

CABINET RESHUFFLE REPORTED--Papua New Guinea's forests minister, Mr Paul Torato, has lost his portfolio in a minor cabinet reshuffle. The prime minister moved Mr Torato to the post of police minister, apparently to end the conflict between him and the Forests Industries Council. Radio Australia's Port Moresby office said the conflict began when Mr Torato made a public statement about the trade and industry secretary, Mr (Kanawi Roz) in the council. The deputy prime minister and minister for trade and industry, Sri Julius Chan, defended his secretary and wrote a letter to the prime minister saying he was unhappy with what Mr Torato had done. The former land minister, Mr Avusi Tanao, has been appointed minister assisting the prime minister on forestry matters. The former police minister, Mr Micah Wes, has been appointed minister for lands and physical planning. [Text] [Melbourne Overseas Service in English 0500 GMT 2 Apr 87 BK] /12232

CSO: 4200/476

## PROMPT ADJUDICATION OF LAW VIOLATIONS URGED

Hanoi PHAP CHE XA HOI CHU NGHIA No 5, Dec 86 pp 5-6, 32

[Article by Do Xuan Do: "Expediting the Prompt and Strict Adjudication of Law Violations Is a Responsibility of All of Us"]

[Text] Prompt and strict trials of law violations is the highest requirement posed for the organs responsible for investigating and verifying, and competent to try, law violations. All activities of the legal organs and coordination in the activities of the legal organs must be intended to attain the highest effectiveness in fulfilling those requirements.

The prompt and strict adjudication of law violations is an obligation, and at the same time a right entrusted by law to the law protection organs. In the situation of law violations, which still occur in a complicated manner and are tending to develop to a serious degree, only by promptly and strictly adjudicating law violations can we strengthen social discipline in society, consolidate the socialist legal system, ensure equality before the law for all citizens, and contribute positively to the mission of renovating economic management and social management in the present situation.

The relaxation of the proletarian dictatorship and socialist law in recent years has led to the situation of the law being regarded lightly, the effectiveness of state management declining, and many serious law violations and crimes being committed in many spheres, some of which have caused dissatisfaction and anger among the people. Some degenerate cadres have abused their authority to commit serious law violations and have caused much harm. In some cases, failure to take strict action has reduced the prestige of the state organs, and have reduced the confidence of the masses in the party, in the state, and toward the fairness of the law.

Since May 1986, in all localities there have begun to be new transformations in the struggle against law violations and crimes. The internal affairs organs in the provinces, municipalities, districts, and precincts have selected nearly 900 criminal cases for exemplary adjudication. More than 300 cases have been tried. The results of the strict adjudication of a number of cases somewhat alleviated the worry and confusion of the masses, and manifested the resolute struggle and attitude of not yielding before acts which crudely trod upon state laws and seriously violate the common interests

of the state, society, and the people. The localities have concentrated on adjudicating the crimes of corruption, speculation, and the blackmarketing of essential state goods and materials (such as cement, iron and steel, POL, nitrogenous fertilizer, and the various kinds of goods and materials which serve agricultural production, state grain purchasing, etc.), the crimes of speculating in, selling on the black market, or producing ersatz versions of essential consumer goods, and crimes which seriously violate the lives and dignity of the people. Some serious cases have been strictly punished (the case of Nguyen Dang Khoa, involving corruption in grain dealings in Hoang Lien Son; the case of Tran Van Trong, involving corruption in POL at the Bac My Thuan-Cuu Long ferry landing; the case of Ha Van Kha, involving corruption and bribery at the Tay Ninh export combine corporation; the case of Dang Van Hoa, an opium trafficker in Hanoi, etc.). The court organs have cooperated more closely in concluding investigations and bringing to trial a number of cases which had been backlogged for years.

Although those all-out efforts have been made, in comparison to the present requirements, the effectiveness of the struggle against law violations is still low. In the present struggle our party and state have the following obligation (also the aspiration of our people): the legal organs must fulfill their responsibilities and adjudicate strictly and in accordance with the law violations which cause dissatisfaction among the people, including serious violations of state discipline which cause dissatisfaction among the people but are not criminal in nature. The results of the adjudications must be made public and must be used to mobilize public opinion to participate more strongly in the struggle against law violations, so that the working masses can monitor the judicial activities of the legal organs. Laws must be truly respected. laws must be applied equally to all citizens.

Many serious violations have not yet been satisfactorily resolved. In province T, there remain 44 serious cases (24 economic cases and 20 cases involving violations of the people's democratic rights) which have not yet been tried and "the perpetrators still stand outside the law." In province 5 there are still such serious cases as a level-3 corporation causing a financial deficit, illegally setting up a large fund, buying 1,200 meters of cloth and placing it in stock, and the case of the accountant of a cooperative who brazenly sold on a speculative basis nearly four tons of MSG, nearly four tons of yarn, etc., which have not been adjudicated or have resulted in only light penalties. In province C many cases have resulted only in administrative measures, such as the case in which the general materials corporation of district T.B. selling POL at eight different prices and setting up an illegal fund of more than 1.2 million dong, the case of a cooperative which colluded with dishonest merchants to sell more than 10,000 meters of cloth and divide the profits of more than 100,000 dong, etc.

In province V, L, and S there are still many serious cases which have not been vigorously investigated and prosecuted.

There still exist the phenomena in some localities (at both the provincial and district echelons) of other organs intervening, impeding, and slowing down investigations, prosecution, and adjudication by the legal organs, which

seriously violates the principle of independent adjudication stipulated by the constitution.

Most of the serious cases that occurred in 1986 (especially the economic cases) being resolved slowly. Many provinces have not yet uncovered or brought to trial a single serious case.

Attention has not been paid to uncovering, in order to prosecute and adjudicate, some types of crimes about which the masses complain a great deal: accepting bribes, violations of citizens' democratic rights, lack of responsibility which results in serious harm, covering up a crime (especially the abuse of authority to cover up a crime) etc.

The masses have not yet been mobilized to contribute to exposing illegal activities in society and in the state organs, the economic organizations, etc. The strength of mass opinion has not been increased and there has been tardiness in handling cases of revenge against people who bravely denounce. The positive people in society have not been protected and actively supported, which makes the confirmation and adjudication of some cases even more difficult and complicated, etc.

Decision 117 HDBT, dated 4 October 1986 on implementing urgent measures regarding prices, salaries, and money stated clearly that it is necessary to resolutely eliminate the evils of corruption, thievery, and slipping state materials to the free market, sternly punish speculators and blackmarketers who deal in state materials and goods, increase prices, and upset the market, and to strictly deal with cadres, echelons, sectors, and units arbitrarily increasing the prices of state materials and goods and using price disparities to serve the interests of the unit or individual.

All legal cadres must regard the present struggle to adjudicate law violations strictly and in accordance with the law as an important part of the struggle to protect the socialist legal system to strictly enforce the laws of the state as well as social discipline and conduct. Serious violations of the law, especially by people who cause dissatisfaction among the people by their serious violations, will be dealt with severely, no matter who they are. All instances of failing to adjudicate with the correct degree of severity, or failing to adjudicate for any reason, violations of law, are violations of the socialist legal system and of the right of all citizens to equality before the law, which is stipulated by the Constitution. The strength of the law must be manifested sharply in its adjudication function. Promoting the prompt and strict adjudication of law violations in accordance with the offensive revolutionary spirit of our party and state in the present situation is an important factor in restoring the confidence of the people, and is an important measure for making social life more wholesome.

The prompt and strict adjudication of all law violations will contribute to establishing and consolidating the socialist legal code.

5616

CSO: 4209/332

## HO CHI MINH CITY PARTY UNITS ADMIT NEW MEMBERS

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 3 Jan 87 p 1

[Article by T. TH.: "In 1986 3,679 New Party Members Admitted; 49 Percent of the Basic Organizations Did Not Admit Any New Party Members"]

[Text] According to incomplete statistics, in 1986 the city as a whole admitted 3,679 new party members, 73 percent of the annual norm (a reduction of 20 percent in comparison to 1985). Of them, 2,472 were Communist Youth Union members, 424 were workers engaged directly in production, and 1,100 were women. Some 882 had educational levels of advanced schools or higher.

Last year the precincts and districts admitted 1,914 party members. Precinct 6, Binh Thanh Precinct, and Nha Be and Duyen Hai districts admitted more party members than last year. The party organizations of the Ministry of Building and the Ministry of Water Conservancy, and Transportation Enterprise Federation No 6 all admitted new party members. In the college and industrial school sectors, and in the municipal public security party organization 85 to 90 percent of the basic party units admitted party members.

However, last year the party development work did not receive adequate attention. Of the party units in the city, 49 percent admitted no party members. In Thu Duc and Binh Chanh district, 60 to 70 percent of the basic party units did not admit any new party members. Many industrial installations, such as the Hong Gam Textile Enterprise Federation, the Ministry of Food Industry, the Machinery Enterprise, etc., still admitted too few party members who were workers engaged directly in production.

5616

CSO: 4209/304



## HO CHI MINH CITY PARTY COMMITTEE ISSUES NOTICE

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 14 Jan 87 p 1

[Notice of the Second Session, Fourth Term, of the Executive Committee of the Municipal Party Organization]

[Text] On 8, 9, and 10 January 1987 the Executive Committee, Fourth Term, of the Municipal Party Organization held its second session to discuss and decide upon the city's direction, missions, and goals in 1987, the work program of the Municipal Party Committee in 1987, the plan to propagandize and bring into play the successes of the Sixth Party Congress, and the work rules of the Municipal Party Committee, Fourth Term.

With regard to the implementation of the economic-social plan, the conference concluded that 1986 was a year many problems regarding prices, salaries, and money which could not be overcome. Even so, the total value of industrial, small industry, and handicrafts output in 1986 was 5 percent greater than in 1985. Of course, that rate of increase was lower than in many previous years and the norms regarding many principal products were not attained.

The conference observed that the fulfillment of last year's economic-social plan was a struggle, with a positive revolutionary spirit, of the city's party organization and working people. Although there were many limitations, the results that were attained were an encouraging victory.

In 1987, although the city will still have to cope with the remaining problems, there is a new advantage: the success of the Sixth Party Congress and the Fourth Congress of the Municipal Party Organization, which set the direction for the coming period. Therefore, the 1987 plan must manifest a positive spirit and apply the viewpoints of the Sixth Party Congress, especially those of "liberating production" and "making the people the root." It must manifest a spirit of daring to think and do, and bring into play the dynamism, initiative, and creativity of the basic level, without being passive and inactive. With that revolutionary spirit and thought, in 1987 industry in the city must increase by at least 15 percent, in order to fulfill the requirements of the city and the nation.

If that is to be accomplished, it is necessary to closely monitor and assist the basic level (not only in the state sector but also in the other sectors)

and seek all ways to properly balance their requirements, by means of their own potential (in addition to the balancing capabilities of the state), including the potential of foreign countries. Studies must be carried out in order to have appropriate policies and measure to exploit those capabilities well.

In order to ensure that industry increases by that ratio, in coming years we must pay much attention to and promote export-import activities: in 1985 the export index must increase by 20 percent over 1986. It is necessary to step up the tourist activities, currency remissions by Vietnamese living abroad, and other services to earn foreign exchange for which the city has favorable conditions. The municipality will recommend specific policies to the central echelon.

The conference determine that the direction and goals of the 1987 economic-social plan would be tied in with fulfilling the national missions and goals and the three economic programs of the Sixth Party Congress; the good fulfillment of the missions the Fourth Municipal Congress; and endeavoring to gradually stabilize the economic-social situation on the basis of developing production and establishing order in distribution and circulation.

Science and technology must promptly grasp and effectively serve the above-mentioned requirements.

The cultural-social work must be placed on an equal basis with the economic activities in order to continue to create positive transformations which exert a good effect on production and life. With regard to society, the conference was concerned with examining the present situation of unemployment, which is the primary reason for a number of social evils. The conference set forth a number of flexible directions for gradually creating jobs for the people. This year the city will go all to provide jobs for at least 100,000 workers.

The conference unanimously approved the norms of the 1987 plan so that they could promptly be assigned to the sectors and echelons for implementation. In the implementation process, on the basis of reviewing the self-balancing capability of each basic unit, in a spirit of bold creativity and innovation. The executive committee will examine and readjust the official norms in mid-1987.

With regard to organizing plan implementation, the conference agreed unanimously that "It is necessary first of all to continue to renovate planning, renovate the management mechanism, distinguish clearly between economic management-administrative functions and production-commercial management functions, and have truly clear division of labor. Especially, it is necessary to have appropriate policies to create a motive force in accordance with natural laws. The conference also discussed and approved the 1987 work rules and action program of the Municipal Party Committee.

The Executive Committee of the Municipal Party Organization is confident that, with a spirit of overcoming all difficulties and determination to implement the resolutions of the Sixth Party Congress and the Fourth Congress of the Municipal Party Organization, all comrades and compatriots will make

outstanding efforts to enable the 1987 municipal economic-social plan to manifest a spirit of renovation and a revolutionary spirit of taking the offensive from the very beginning.

5616

CSO: 4209/318

## IMPROVEMENT OF CADRE, PARTY MEMBER QUALITY DISCUSSED

Hanoi NHAN DAN in Vietnamese 3 Feb 87 p 3

[Article by Van Hai: "Some Thoughts on the Contents and Measures To Improve the Revolutionary Quality of Cadres and Party Members"]

[Text] The directive of the Secretariat of the Party Central Committee on organizing the commemoration of the 57th anniversary of the founding of the party highlighted the requirements of the entire party undergoing a strong transformation with regard to education, improving the moral quality and revolutionary virtue of cadres and party members, and struggling against the negative manifestations.

That manner of posing the problem is first of all based on the objective requirements, the large scale and complicated nature of the present economic-social missions, and the demands of maintaining and strengthening the leadership role of the party and improving the quality of party members. The party members must manifest as fully as possible their moral quality, intelligence, and will, and the ethical value of the working class, strengthen their belief, and further strengthen the relationship between the party and the masses. It is also based on the actual situation of party members at present.

A major success of our party has been to create a large corps of cadres and party members who have good moral qualities, have much experience in combat and revolution, and have good relations with the masses. However, as we enter the new phase there also exists the situation of the moral quality of some party members having declined. Over a period of more than 10 years, more than 190,000 party members have been expelled from the party, a rather large number of whom had committed errors related to moral quality and virtue. At present, many people who are no longer qualified to be party members are still in the party, and there is a backlog of many cases involving violations of statutes and moral quality which have not yet been adjudicated. Corruption and degeneration, although only on the part of some, have caused harm in many respects, have caused party leadership and state management to be less effective and the confidence of the masses to decline, and have adversely affected social life.

Why does that situation exist? There are many ideological and organizational reasons. In the party building work, the resolution of the problem of party member quality has not received adequate attention in the two-way responsibility relationship: the forging and struggle of each party member and the responsibility of the organization. Another reason for the decline in moral quality and virtue is that many party organizations have violated party principles in selecting, educating, and managing them, and in supervising their activities.

With regard to improving the political quality and revolutionary virtue of cadres and party members in the present phase, the Sixth Party Congress stressed that party members must think and act for the ideals of communism and the interests of the revolution, not for the sake of personal standing and personal benefit. They must be faithful and honest, say little and do much, and match their words with deeds. They must respect the principle of collective leadership, respect the collective mastership right of the people, and oppose corruption, special rights, and special benefits.

Those contents may be generalized in a concentrated manner in the following four principal points:

First, consciousness of communist ideals must be accompanied by the exemplary acts and moral quality of party members.

The unity of ideals and action must be manifested in daily work, in one's way of life, and in observing the lines and policies of the party and the plans, laws and discipline of the state. On the other hand, no matter in what form the separation between words and deeds harm the great undertaking of economic construction, especially improving moral quality and restoring the faith of the masses in the party and state.

Second, organization and discipline must be strengthened.

In order to strengthen organization and discipline attention must be paid to education, to expanding democracy, to promoting self-criticism and criticism, and to struggling to rapidly overcome manifestations of paternalism, arbitrariness, and liberalism, and of placing oneself outside the organization and thinking that one has the right to speak and act in a manner contrary to the collective decision. Party members must be loyal to the organization, to their comrades, and to the masses.

Third, the moral quality and revolutionary virtue of cadres and party members are placed within the context of relations with the people. They must rely on the people and make the people the root in all tasks in order to defend and build the fatherland. Bureaucratism, commandism, and aloofness from the masses will weaken the strength of the party and the state.

Fourth, party cadres must create for themselves a pure, wholesome, simple, and loyal way of life. Under difficult circumstances such as those at present, there are still some people in the party who lead an extravagant, aristocratic, life. Where do they obtain that money? "With the conscience of

a communist, all cadres and party members must strictly ask themselves whether or not they have a wholesome life and live by means of their labor." (Political Report of the Sixth Party Congress.)

Improving moral quality and struggling against negativism demand a brave, persistent spirit. In past years we have carried out a considerable number of tasks to fulfill that mission, and have achieved a number of definite results. But the goal that was set clearly has not been attained. When discussing measures in improving moral quality and struggling against negativism, we must examine many aspects and place the task of building a strong party in the process of simultaneously carrying out the party's two strategic missions. We must, on the basis of a general, all-round analysis of the factors related to improving virtue and moral quality, think about appropriate forms, measures, and steps. For example, we must do a good job of carrying out the three programs of the Sixth Party Congress, restore order in the sphere of distribution and circulation, continue to renovate the management mechanism, and draft the social policies. The same is true with regard to life, and there is a direct relationship to the process of improving the quality of cadres and party members. We must base ourselves on actual life, and of entering deeply into each category, sector, trade, and environment, and territorial area. An appropriate action program must be drafted on the basis of the party's viewpoints. It is necessary to combine the ideological, organizational, administrative, and economic measures. We must know how to use the relationships among the measures, which ones must receive priority, and what their merits are. In some places, it is first of all necessary to resolve the ideological problems and problems regarding policies and cadres, to give rise to a mass movement, and to admit to the party outstanding, fully qualified people to build up the party's manpower. In some places it is necessary to apply strict discipline. There must be a complete mechanism to ensure that the masses participate openly in improving the moral qualities of cadres, and struggle against negative phenomena without fearing being prejudiced against or retaliated against. The coordination of the entire proletarian dictatorship system, and between the upper and lower echelons, has a great significance in this period.

In addition to the common problems, which are methodological in nature, a number of specific measures may be brought out.

Our party has always paid much attention to educating and forging cadres and party members in the actualities of revolution, in the mass movement, and in schools. But education and forging do not have specific contents and have not received adequate attention. They amount to "beating the drum, then throwing away the drum stick," In the future, in education there must be realistic instruction and study methods and there must be an action program to improve moral quality. There must be permanent and regular supervision of cadres and party members with regard to their work and moral quality, and supervision of the correction of errors and efforts on the party of everyone in self-criticism and criticism campaigns, and they must be helped to quickly correct deficiencies. In exercising oversight it is necessary to reach conclusions. Because they have not done a good job of exercising oversight and have not reached clear conclusions, negativism has again developed. Praise and criticism must be at the right time, directed toward the right people, and be

for the right reasons. It is necessary to strengthen party member management in with regard to work, ideology, social relations, and daily life. Party member management must be exercised in both places of work and places of residence. The supervision and management of party members with regard to virtue and work style must include leaders.

Over a period of many years degenerate cadres, including those whose level of political consciousness was too low,, have been expelled from the party, but the requirement of building a pure, strong party has not been fulfilled. The party organizations at all levels must recapitulate, and gain experience from, the struggle to oppose negativism and improve political quality during the recent political activity campaigns, in order to grasp the contents of party members standards and qualifications, apply them to the specific circumstances of each party organization, and struggle to overcome manifestations of rightism, indulgence, favoritism, covering up, and unfair "light for the upper echelon, heavy for the lower echelon" treatment, or "going easy on people one likes and bearing down on people one doesn't like." The lack of solidarity and unanimity within the party, above all in the party committee echelons, is an obstacle to the evaluation, categorization, summation, and adjudication of party members. The party must specifically indicate the categories who must be reviewed and expelled from the party. The party is related to the political life of the party members, so it must be accurate and careful, but not hesitant, even if many people who are deemed no longer worthy of being party members must be expelled.

Improving moral quality and struggling against negative phenomena are aspects of the over over-all party member work and of improving the quality of party members. That work has a great significance and is dependent on the role of the party organization at all levels, especially the role of the party chapters and the guidance of the upper echelon, especially the next highest echelon. The campaign to purify the party must have a mass nature. All cadres and party members must first of all supervise themselves, forge themselves, and elevate themselves. That is an extremely serious demand on the part of all communists.

5616

CSO: 4209/343

## SEVENTH SESSION OF MUNICIPAL PEOPLE'S CONFERENCE CONVENED

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 17 Jan 87 p 1

[Article by T.TH.: "Seventh Session of Third Municipal People's Council Convened Yesterday"]

[Text] Yesterday, 16 January 1987, the Third Municipal People's Council convened its seventh session.

Reading a report during that session, comrade Nguyen Cong Ai, Vice Chairman of the People's Council and Director of the Municipal Planning Commission, said that although many difficulties were encountered regarding materials, raw materials, electricity, and especially difficulties regarding prices, cash, etc., the sectors and echelons dynamically removed the constraints of the bureaucratic-subsidy mechanism, found effective working methods, and increased the total value of industrial, small industry, and handicrafts production by 5.6 percent over 1985. With regard to agriculture, grain amounted to 260,000 tons, an increase of 24,000 tons over 1985. However, the total value of industrial, small industry, and handicrafts production was only 98.7 percent of the annual plan. The norms set for such agricultural products as vegetables, rice, and animal husbandry were not met.

With regard to the city's economic mission agenda in 1987, the report stated that efforts must be made to increase the total value of industrial, small industry, and handicrafts production to 39.7 billion dong, in which exports will amount to 3.2 billion dong (an increase of 18.5 percent over 1986). On the basis of developing the agricultural products processing sector, the contracted production of export goods, etc., efforts must be made to provide jobs for 95,800 workers (not counting those provided employment under Decision 34).

With regard to implementing the 1986 budget, comrade Le Quang Truong, Director of the Financial Service, said that the total income of the state budget in the city was 25,104.2 million dong, 194.4 percent of the plan norm, and local budgetary expenditures amounted to 6,835.9 million. It is estimated that in 1987 the budgetary income will amount to 36,730 million dong and local budgetary expenditure will amount to 10,000 million dong.



The People's Council delegates also listened to a report by comrade Nguyen Vinh My, presiding judge of the Municipal People's Court, on trials and the carrying out of sentences. In 1986, the court conducted 14,111 criminal and civil trials, of which 13,129 were resolved. In 1987 the court sector will endeavor to conduct trials in a timely manner, not allow court cases to pile up, conduct cases in correct accordance with laws and policies, effectively prevent crimes, maintain strict state discipline, and strengthen the effectiveness of the socialist legal code.

During the session of the People's Council delegates also heard comrade Le Khac Binh, Vice Chairman of the Municipal People's Committee, report on the situation of Tet preparations for the laboring people and cadres, workers, and civil servants, to ensure that all 14 products are supplied to cadres, workers, and civil servants and 18 products are supplied to the people.

The People's Council will continue its work today, 17 January 1987. The People's Council teams will discuss the estimates regarding the economic-social plan, the implementation of the budget, and the conduct of trials and carrying out of sentences by the Court in 1987.

5616

CSO: 4209/319

## DISCLOSURE OF LOWER ECHELONS' FALSE REPORTS, DECEPTIVE TRICKS

Hanoi NHAN DAN in Vietnamese 23 Jan 87 p 3

[Article by Pham Thanh Dam: "Speak the Truth, Speak Frankly, and Give Up the Habit of Telling Lies"]

[Text] Everyone knows that mendacity was the byproduct of a society in which human relationships were based on exploitation, oppression, and deception for the purpose of earning money. Deception among business competitors and even among friends, and between husbands and wives and between parents and children was motivated by money and profit. Officials and village notables lied to the king and the mandarins in order to embezzle public property, and they cheated and wheedled the people in order to expand their private ranches and farms. Low-ranking officials lied to the high-ranking ones in order to get promotions, and to hoard money in order to become rich. More often than not, lies were accompanied by flattery, corruption, depravity, and even treason.

In our society, the causes of mendacity should have been noticeably limited and eliminated because production relationships have changed, the ideological and cultural revolution has been going on for decades among the masses, the new socialist man has emerged and taken shape, but primarily because leadership has been seized by our party--a genuine revolutionary one which was built and educated by Uncle Ho, a leader of the utmost integrity and perspicacity. Since self-criticism and criticism have become a regular pattern within the party and state, truthfulness and honesty in attitude have been constantly extolled and developed. Telling the truth to one's organization, to higher officials, to other comrades, and to the people is an ethical yardstick enabling us to examine and evaluate one another. Historic events have shown that our party has been evaluated on the basis of its honest attitude toward the masses. Our party has not concealed its difficulties and has been even more reluctant to hide its mistakes from the people because, more than anyone else, it has realized that the people alone can help it to overcome difficulties, shortcomings, and errors. When our party committed mistakes in land reform 30 years ago, it was the Central Committee headed by President Ho Chi Minh which courageously and frankly admitted its mistakes before the people, and voiced its determination to correct errors. In response to our uncle's appeal, our people and party enthusiastically joined forces to correct mistakes, to reestablish the social order, and to restore and develop the economy to improve living conditions in North Vietnam in the early 1960's. As a result, we were able not only to

endure, but also to counter vigorously the very fierce war of destruction waged in North Vietnam by the U.S. aggressors. We were able to foil, one by one, all war strategies of the enemy in the South, and finally to win the great 1975 spring victory which led to the liberation of the South and the reunification of the country. How great is the strength of a truthful word, especially that which is uttered by our party.

However, lying is still a prevalent habit among many party organization echelons and even many key cadres. The reporting person must know the leader's "taste;" if he sees the leader nod assent and take an interest in the conversation, he must magnify and exaggerate things; but if he sees the leader pull his face and shake his head, he must say less or even "astutely" change the subject (!) While many families in a certain locality had to skip a meal each day, the local party committee still reported to the higher authorities that "the situation is not serious at all" just because in an earlier report, the committee had stated that "agricultural crops are abundant and both productivity and output exceed the plan norms".

On hearing of the impending visit of a high-ranking cadre, leaders in another locality held a meeting and concluded that "the high-ranking comrade will undoubtedly visit the provincial market to have an idea of the availability, circulation, and distribution of goods...." A preparatory plan was then urgently implemented: Sanitary measures should be taken to clean up the market; goods should be pulled out of all storehouses and put on the market so they could appear to be plentiful; display counters should be rearranged and adorned to please the eyes, and each of them should be equipped with an electric fan and a radio set to give them an air of "commercial civilization." Particularly on that day, pork should be more abundant than ever and should be sold at a low price. Sales clerks should wear nice clothes and happily and courteously greet customers because photographs would be taken and motion pictures shot. Unfortunately, the high-ranking cadre did not come that day. And not all that amount of pork could be sold. We can cite many similar examples of deception and the bad habit of "doing slipshod jobs and writing good reports," of misrepresenting the situation or "producing enticing stage effects" whenever the higher authorities come for inspection or research. This kind of deception has breathed "new life" into bureaucratism and caused immense damage to all sectors at all levels when they analyze the situation and formulate policies and plans. Deception has hurt the people's feelings and reduced the prestige of the party and state. Deception is a sort of crime to be condemned vehemently, and a bad habit to be eliminated.

Speaking the truth and speaking frankly during the internal struggle is also a matter of concern to us. Even among people on the same level, not everyone dares to criticize frankly either the unit chief or the secretary because he has to think first about his own position, interests, and "seat"! As for the people on the lower level, they are more cautious and afraid because many unit chiefs and secretaries do not like being criticized. We have not yet spoken of localities where factions and cliques still exist and where people protect and praise one another and mutually conceal their shortcomings in order

win success for their own clans, or resort to subtle and cruel tricks to calumniate and persecute opponents. Despite some progress during the recent self-criticism and criticism drive, there still is a serious lack of democracy in internal affairs.

It follows that, to speak the truth, this problem must be addressed by both sides: The speaker must truthfully and honestly report facts and valiantly conduct a constructive struggle and must do so merely in the best interests of the party and people while the listener must sincerely respect the truth, encourage other people to frankly tell the truth, and calmly listen to contrary and antagonistic views. Only by doing so can both sides jointly remove all difficulties and uncover the truth.

The Sixth CPV Congress has paved the way and called on party committees at all echelons and on all sectors, organs, cadres, party members, and people to tell the truth, to speak frankly, and resolutely to give up the bad habit of telling lies.

9332/12851

CSO: 4209/296

## PLANNING OFFICIAL COMMENTS ON 1986-90 FIVE-YEAR PLAN

Hanoi TAP CHI KE HOACH HOA in Vietnamese Dec 86 pp 5-9

[Article by Minh Dung, deputy director of the Synthesis Department of the State Planning Commission: "Understanding the Basic Thoughts of the Guidelines and Principal Goals of the 1986-90 Five-Year Economic and Social Development Plan"]

[Text] Since 1984 the drafting of the 1986-90 five-year plan has been carried out deeply and broadly. Under the close guidance of the Political Bureau, the Party Central Committee, and the Standing Committee of the Council of Ministers, we carried out an economic recapitulation of the 1976-85 ten-year period, many specialized teams were set up to study the principal economic and social problems regarding scientific-technical development. Many sectors and localities researched problems within their sphere. The direction and principal goals of the 1986-90 five-year period presented at the Sixth Party Congress were a major project of extremely great importance.

That direction and those goals manifest the following basic thoughts.

First, on the basis of the actual economic-social situation at present, and of determining the material-technical conditions in our country and the actual capabilities for expanding economic cooperation with other countries, especially the socialist nations, of estimates regarding the important factors which will increase during the coming period, such as the results of the application of scientific-technical advances, economizing and the economic management mechanism, and the renovation of policies, the improvement of the organizational apparatus, the correct deployment of cadres, etc., to attract tens of million of workers to enthusiastically compete in production and increase the rate of economic development.

Second, the direction and principal goals regarding the 1986-1990 5-year economic-social development plan incorporate the economic missions set forth in the political report: a strong transformation in the organization of the economic and investment structure, and a renovation of the economic policies and the management structure, in order to develop and gradually bring into play all potential of the nation, liberate the production force, rapidly

increase social output and attain the goals of stabilizing the economic-social situation and stabilizing and improving the people's living conditions.

The all-encompassing missions and the principal economic-social goals of the remaining years of the period of transition are to produce sufficient food for consumption and stockpiling, beginning to create a rational economic structure in order to develop production, create and make progress toward perfecting new production relations which are appropriate to the nature and level of development of the production forces, bring about a good social transformation, and meet the needs of strengthening national defense and security, in order to stabilize all aspects of the economic-social situation and continue to create the necessary premises for promoting socialist industrialization in the succeeding phase.

Third, the three major economic programs--food production, consumer goods, and export goods--are regarded as the core of the economic missions during the 1986-1990 5-year period. Those programs not only have a life-or-death significance with regard to the immediate situation, but are also the indispensable initial conditions for socialist industrialization. Those three programs are closely interrelated and are both the basis and premise for each other. Food and consumer goods are the most important material conditions for stabilizing the economic-social conditions and the people's living conditions. Exports are a decisive factor in carrying out those two programs and the other economic activities.

Those are major economic programs of national importance which demand a high degree of concentration of all capabilities of the economy, especially under the present circumstances. The heavy industry and communications-transportation sectors, as well as the other economic, cultural, and social sectors, must concentrate on the mission of serving those three major programs. The central sectors, as well as all localities, must concentrate all material forces, leadership, and guidance on attaining the goals of those three programs. To serve and ensure the victory of the three programs is to create favorable conditions for the long-range development of all sectors and localities throughout the nation.

1. The food production program is the central concern of our nation's agriculture at present. In the initial phase of the period of transition to socialism, agriculture plays the leading role. That agriculture is a tropical agriculture which has great potential, plays an extremely important role, and contributes decisively to nourishing society, creating jobs for most workers, providing an important part of the primary raw materials for industry, and supplying large amounts of valuable exports. For that reason, to liberate the production force is above all and especially to liberate the production capacity of that tropical agriculture.

In recent years our country's agriculture has undergone new transformations and has attained a number of important accomplishments, especially with regard to grain production, and create a number of specialized industrial crop areas. However, although grain production has increased it has not increased uniformly and stably; the industrial crop area has increased slowly,

especially short-term industrial crops; the development of agriculture, forestry, and fishing has not been tied in with the processing industry; and labor, land, and the sea have not been well utilized. That is because there has not been full comprehension of all-round agriculture, in which food production is the number-one concern. Investment, and especially the policies to encourage the development of agriculture, have not yet received adequate attention.

During the 1986-1990 5-year period we must concentrate on the number-one goal--food production--while also endeavoring to develop industrial crops, especially short-term industrial crops, accompanied by the construction of a complete processing industry and the strong development of the sectors and trades, in order to utilize the agricultural potential to the highest degree.

With regard to grain, we must attain the goal of stabilizing the food needs of society, so that there is enough for the people and some left over for animal feed, and begin to have reserves and meet the other needs. If that is to be accomplished, by 1990 we must attain 22 to 23 million tons of grain and an annual average of 20.1 to 20.5 million tons over the 5-year period. We must produce 19 to 20 million tons of rice and 3 million tons of subsidiary food crops (paddy equivalent). The per-capita output must reach 333 to 348 kilograms. The grain problem must be resolved comprehensively, from production and processing to distribution and consumption, and tie in the grain structure with the improvement of diet, depending on the characteristics of each area. It is necessary to develop the strengths of each area as rationally as possible, in order to both increase local grain production and create other sources of commodities to exchange for grain, even by means of exporting and importing, and along with resolving the grain problem it is essentially to greatly reduce our country's rate of population increase, from 2.2 percent in 1985 to 1.7 percent in 1990.

Rice is the most important grain crop. With regard to rice, the most decisive methods are intensive cultivation and increasing the number of growing seasons, while at the same time expanding the rice areas wherever possible. The material conditions must be concentrated on the key commodity grain areas in order to meet the needs of the entire nation. Those areas include the Mekong Delta and the Red River Delta, large rice-growing areas in the two regions, in which attention must be paid to the high-yield rice areas, the yields of which must be increased to 43 to 45 quintals per hectare per season.

We speak much of rice, but that does not mean that we regard subsidiary food crops lightly, for subsidiary food crops are important in many areas. Each area must, depending on its specific conditions, create an appropriate subsidiary food crop structure, including corn, sweet potatoes, manioc, white potatoes, and the other starchy crops, among which special attention must be paid to corn. In addition to developing production, it is necessary to do a good job of organizing state purchasing and processing, and truly bring subsidiary food crops into the people's diet.

To attain those goals, it is necessary to apply a complete set of measures. First of all, attention must be paid to developing and making good use of land, overcoming the use of hundreds of thousands of hectares or rice land for

other purposes, it is necessary to complete the zoning of land and do a good job of managing land, especially at the basic level. by means of combined measures, we must both increase soil fertility and increase the land use ratio, especially in the Mekong Delta. Water conservancy is a foremost measure. In addition to adequate investment by the state, it is necessary to launch a deep and wide mass movement to do water conservancy work, and to make complete investment to develop the effectiveness of the existing installations and those nearing completion, accompanied by the building of small water conservancy projects. In the Mekong Delta, in addition to the key projects it is necessary to pay attention to consolidating and developing the system of field irrigation works. In the Red River Delta, attention must be paid to consolidating the system of dikes, breakwaters, and sluices, and to the work of preventing and fighting floods and storms and maintaining and developing the electrical pumping stations. The irrigated area must be expanded, especially in the high-output rice areas. In coming years fertilizer will surface as an extremely important factor. In order to ensure that the average rice yield is increased from 28.2 quintals per hectare in 1985 to between 32.1 and 33 quintals per hectare in 1990 it is necessary to promote an extensive movement to produce manure and green fertilizer and ensure the spreading of at least 30 percent of the required amounts of fertilizer. We must resolutely set aside foreign exchange to import nitrogenous fertilizer, increase the domestic production of phosphate fertilizer, and ensure the proper ratios of the various kinds of fertilizer in the rice areas. In past years, insects and diseases have inflicted considerable losses on agricultural production. We must do a good job of forecasting and discovering insects and diseases and use combined methods to guard against and eliminate them, combine biological and chemical methods, do a good job of the crop insurance work in all areas, ensure the importation of sufficient pesticides, and take the initiative in eliminating insects and diseases when they are discovered. Draft power is also a measure that must receive attention and there must be sufficient draft power to serve the seasonal schedule, intensive cultivation, and increasing the number of growing seasons in a timely manner. We must encourage the raising of water buffaloes and oxen for draft purposes, and expand to distribute draft power among the various areas. The existing tractors must be improved so that they can have higher productivity, in addition to positively producing additional tractors, especially the types we can produce by ourselves. Small tractors must be sold to the cooperatives and workers must be trained to repair and operate them. The variety structure and the new varieties have contributed importantly to increasing crop yields. In future years we must organize a seedstock system extending from the central level down to the basic level, and there must be a policy to encourage cooperatives to rapidly propagate new varieties which have received guidance with regard to use. Attention must be paid to creating a system to store and process grain, greatly reduce the spoilage ratio, maintain quality, and increase the value of production.

In addition to those combined measures, there must be a policy to encourage the production of grain, especially in areas with large commodity grain output so that the producers can be at ease.

In order to improve quality and gradually improve the people's diet, the production of non-grain foods must receive the same attention as grain



production. We are capable of comprehensively developing the rich sources of animal and vegetable products in all parts of our country. In that plan, it is necessary to develop food belts around Hanoi and Ho Chi Minh City, the Quang Ninh industrial zone, and the other cities and industrial zones.

In order to step up the production of food products, it is necessary to promote animal husbandry, considerably increase the number of livestock and poultry, and stress breeds that eat little or no grain. We must go all-out in encouraging family animal husbandry and restore and develop state and collective animal husbandry. problems regarding breeding stock, feed, and disease prevention and elimination must be well resolved. We must extensively develop the raising and catching of aquatic products. That is a great potential. We must fully utilize the bodies of water used to raise fish, shrimp, and the other aquatic products, combined with the raising of livestock and poultry, and widely apply the VAC model to increase the amount of protein in the people's daily diet. The promotion of food products production will also create an important source of exports. Here it is necessary to pay attention to developing the various kinds of food products: vegetables, beans, peanuts, oil-bearing crops, and other kinds of crops. We must strongly develop the various kinds of industrial crops, with priority being given to developing the short-term industrial crops, and must effectively develop such long-range industrial crops as coffee, tea, pepper, coconuts, etc., to fully utilize the existing labor and land and increase the incomes of the workers, while also ensuring that products are delivered in accordance with contracts signed with our friends.

We must strongly develop the forestry economy, on the one hand employing additional workers and creating additional jobs, while on the other hand transforming the forestry economy into an important production sector to serve life and the national economy.

2. The program to develop consumer goods is intended to meet the essential and urgent needs of the people, balance goods and money, create jobs for many workers, and create an important source of capital accumulation and exports. In recent years, the production of consumer goods has developed to a certain degree. However, that development is still slow, many ordinary goods are still scarce, quality has declined, there has been considerable waste of materials and equipment, and many people are dissatisfied. At present, in that sphere there is still much potential which has not yet been exploited, the capacity of many machines is underutilized, and such domestic sources of raw materials as agricultural, forestry, aquatic, and mineral products have not been well developed. In the near future it is necessary to, by all means, liberate that great potential and promote the production of consumer goods in all installations and sectors, and in the economic components, in all organizational forms and scales and at all technical levels to ensure the production of many consumer goods to meet the varied needs of society, goods that are appropriate to the needs of each area and age group, from major needs to needs for ordinary consumer goods. We absolutely must not allow shortages of goods that should not be in short supply. The increasing of output must be accompanied by ensuring quality, continually renovating specifications, and meeting the product technical and aesthetic standards. Priority must be given to the material conditions in order to fully utilize the capacities of the

existing enterprises. The production bases that were built long ago, and the equipment of which is to old and broken down, must gradually renovate their technology and meet the requirements regarding the quality and quantity or products. By means of selling or lending credit, more machinery and equipment must be provided for small industry and handicrafts in Ho Chi Minh City, Hanoi, Hai Phong, Da Nang, etc., further developed, in order to create regional and national consumer goods production centers.

In order to develop consumer goods, a matter of decisive significance is raw materials and the raw materials policy. We must fully exploit all domestic sources of raw materials on the basis of planning, investment, and the promulgation of adequate incentive policies. With regard to raw materials from agriculture, forestry, and fishing, it is necessary to ensure a sufficient specialized area to serve the processing plants, and form close and direct alliances between the plants and the raw materials areas by means of economic of both sides. We must amend the irrational state purchase prices and provide adequate incentives for high-quality raw materials. The economic contracts between the processing installations and the producers of raw materials must be carried out well. With regard to raw materials obtained from minerals, especially the small mines, it is necessary to increase investment according to plan, with rational division of labor and decentralization, to step up exploitation; develop the production of ordinary chemicals on a medium and small scale, and organize the collection of waste materials, junk, and reprocessable raw materials. Priority in using foreign exchange must be given to importing the raw materials which must be imported.

In addition to developing production, it is necessary to implement a rational and economizing consumption policy. Protecting the domestic production of consumer good and using domestic consumer goods is an important policy of the party and state. We must end the importation of consumer goods which our country is capable of producing. On the one hand, we must endeavor to develop the production of high-quality consumer goods which meet the taste requirements of consumers and are appropriate to the requirements and developmental tendency of social consumption. Furthermore, our people must be aware that although we cannot neglect consumption, it must be in accord with the actual capabilities of our country's economy.

With the above direction, during the next 5 years the average annual rate of increase of consumer goods production will increase from 11.3 percent in the 1981-1985 period to 13 to 15 percent in the 1986-1990 period.

3. The production of export goods is a leading edge of strategic significance with regard to many economic goals, and is a decisive link in the over-all foreign trade work. Exports must become a major concern and a key mission of all sectors and echelons. During the coming period, that work must truly undergo a major transformation so that it can be worthy of its importance and actual capabilities. The task that is set forth is to rapidly increase the volume of exports in order to fulfill the import requirements, do a good job of carrying out agreements with other countries, and overcome ineffective working methods and the situation of dispersion and disorder, which harm both the domestic and foreign markets.

During the 1986-1990 5-year period exports must increase by 70 percent in comparison to the 1981-1985 period, including a rapid increase in the principal products: processed agricultural goods, light industry and small industry-handicrafts goods, and aquatic products. Although that rate of increase in exports is low, it cannot be attained easily if we do not implement positive and effective measures.

First of all, it is necessary to have a long-range plan and a specific plans for each period with regard to the production of the export goods. On that basis, there must be adequate investment, the materials necessary for the production of export goods must be supplied, and attention must be paid to areas producing the principal goods on a concentrated basis. There must be an adequate incentive policy for people engaged directly in the production of export goods, supply sufficient grain and the essential consumer goods at rational purchase prices, with bonuses for fulfilling and surpassing plan norms regarding the supplying of export goods, especially bonuses for high quality. We must implement a unified purchase price policy for each kind of goods, for both domestic consumption and export, and promptly amend the price ratios of goods delivered for export. We must guarantee the interests of producers and localities making many efforts to deliver export goods to the central echelon.

In order to overcome the situation of competition in buying and selling, it is necessary to restore order to discipline in the sphere of foreign trade. We must organize exporting in a rational manner, especially reducing the intermediate echelons, and overcome the evils of arrogance, arbitrariness, and violating the interests of people engaged directly in the production of export goods.

In using foreign exchange earned by exporting, first of all it is necessary to reinvest a certain amount in production to make up for production expenses and the expansion of production in this area. By means of appropriate forms and production methods the central echelon must control sufficient foreign exchange to import essential materials to meet the common needs of the nation and liquidate debts which fall due.

4. In order to carry out those three major economic programs, and create the premise for promoting socialist industrialization in the succeeding phase, during the present 5-year period it is necessary to develop a number of heavy industry sectors and construct the necessary infrastructure, in a manner appropriate to the present capabilities. Those capabilities include energy, a number of machinery, raw materials, materials, and communications-transportation, and information-postal bases, material bases which are indispensable in the great undertaking of economic construction. Thus from the very beginning we must closely combine agriculture with light industry and heavy industry to gradually form a rational economic structure. By that method we will overcome the deficiency of separating industry from agriculture, orient industry toward the practical and effective service of agriculture and light industry, and gradually overcome the backwardness of the three-layered structure, especially with regard to communications and transportation in our country's economy. While affirming that agriculture is the foremost front, we must prepare to develop a number of heavy industry

sectors to meet the requirements of agriculture and small industry, while also preparing to develop the heavy industry sector so that it can be worthy of being the backbone of the economy in the future.

Sixth, in concentrating on the three major economic programs and gradually form a rational production structure, an important matter in determining the direction and principal goals of the 1986-1990 5-year economic development plan is to adjust the direction and structure.

In order to gradually reorganize the economic structure and promptly enable the economy to escape from the situation of serious imbalance at present, it is necessary to definitively readjust the direction and structure of investment, accompanied by the renovation of the investment structure, the direction of adjustment will be to focus capital and materials on carrying out the three major economic programs.

In the production of agricultural consumer goods, in order to increase the level of usage of capacities, it will be necessary to set up a number of additional enterprises and ensure that there are sufficient bases on which to expand the contracting out of exports.

In heavy industry, priority in investment must be given to the installations capable of being brought into production during the plan period, such as energy, fertilizer, machinery, and other projects.

In communications and transportation it is necessary to meet a number of urgent requirements of economic development, with attention being paid to preparing for future development.

In the sphere of education, training, public health, culture, and society, it is first of all necessary to invest to maintain the existing bases and only carry out new construction in the necessary spheres and places.

In addition to adjusting the direction and structure of investment it is necessary to renovate the investment structure to strengthen the sense of responsibility of the investing organization, enforce to investor's responsibility toward the results of investment, and establish order with regard to investment planning and management, with regard to all sources of capital and all types of projects. The bank and the financial sector must bring into play its function of auditing the use of investment capital.

The above are basic thoughts of the direction and principal goals of the 1986-1990 5-year economic development plan. Those basic thoughts fully manifest the party's viewpoints toward reorienting the economic structure, carrying out a major adjustment of the investment structure, socialist transformation and the consolidation of production relations, and the renovation of the economic management structure, in a manner appropriate to the characteristics of our country in the initial phase of the period of transition to socialism.

If those problems are resolved, by 1990 our country's economy will have undergone a notable transformation. On the basis of fully utilizing our production capability and doing a good job of resolving circulation-

distribution problems, we will open up new prospects for producing sufficient consumer goods and begin to accumulate capital from within the economy, the people's living conditions will gradually be stabilized, social justice will be restored, and order and security will be increasingly ensured.

5616

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## SIGNS OF ECONOMIC REVITALIZATION NOTED IN 1986

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 1 Jan 87 p 2

[Article by Minh Le: "1986: Signs of Renovation in the Economy Noted"]

[Text] "Renovation is a vital matter for us," "Renovate or die." The requirement and demand of renovation in all spheres have reached the final deadline. Thus the above action slogans have great motive force. Even though there is no unified guidance, many units have written those slogans in easily seen places in their offices as an inspiration, to remind one another, and as guides to action.

In 1986, in the economic sphere there appeared many signs of renovation that were noted by managers and producers alike as being stands and policies with the nature of opening the way for the development of production, concern for the workers, the return to basic units the right to take the initiative in production and commerce, and a definitive break with the old bureaucratic-subsidy administrative management structure.

If considered from the point of view of the level and sphere of social effect and the specific results that have been brought about, one must first of all mention Decision 34 of the municipality on individual production, family production, and secondary family production. Immediately after it was promulgated, Decision 34 had a direct effect on life and clearly proved its vital force. Without having to make material investment, that decision alone, which was in accord with principles and the desires of the people, provided jobs for 13,000 workers (as of November). Many potentialities among the people, which had been unexploited for many reasons, were immediately revived and brought into production to serve production. A number of traditional artistic handicraft trades which had declined were revived. Many essential products which previously had to be imported, and a number of unique new products, were researched and produced in accordance with Decision 34. Some were introduced onto the social market. Concern that Decision 34 would result in spontaneous capitalism proved to be unfounded.

According to Decision 34, all production installations have a relationship with the state economy and the collective economy.

It can now be affirmed that Decision 34 opened the way for production, created jobs, and encouraged workers.

The draft of Resolution 306 of the Party Central Committee on the right of economic units to take the initiative in production and commerce, and the Council of Ministers resolution have also had definite effects on each specific category.

With regard to the state economic sector Resolution 306, a crystallization of the actual requirements of the units which were leading the way in renovating production and was then applied on a wider scale so that it could be perfected. Although there are still many old, restrictive specific policies and regulations, Resolution 306 was an initial effort to unbind state production. Working in accordance with Resolution 306, the number of profitable, highly productive state units has increased and their number are no longer restricted to a few select trial units.

As for the categories affected by the Council of Ministers resolution on the family economy, especially the peasant families outside the city, the people have sought encouragement from the state and a way to satisfactorily resolve the problem of the surplus production which the peasants expended much effort to produce.

Finally, there is the city's Decision 192 of the collective small industry and handicrafts sector. Decision 192 has not yet been tested by time and it has not yet achieved many specific results. But the handicraft workers in the cooperatives and production teams have welcomed it enthusiastically and are in agreement on at least two points:

First, it affirms the right of the collective economic units to take the initiative in production and commerce, and the state creates conditions for them to exercise that right.

Second, the workers are equal with regard to rights in many respects, in the collective economic sector as well as in the state sector.

In 1986 there were a number of appropriate policies regarding all three production sectors--state, collective, an individual--which, although not complete and although there was no specific guidance, stimulated labor. That is a sign of the renovation of thought and economic democratization, and they were very appropriate to the new viewpoints affirmed by the Sixth Party Congress.

5616

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## MUNICIPAL CADRES VOICE ECONOMIC POLICY CONCERNS

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 26 Feb 87 pp 1, 2

[Article by Vo Han Lam: "Sixth Party Congress Resolution and Our Responsibilities: Sufficient Conditions for Foundation of True Autonomy in Production and Business Still Do Not Exist"]

[Text] General Secretary Nguyen Van Linh recently worked with economists, scientists and technicians in Ho Chi Minh City. Inconsistencies in the economic policy restricting the creativity and autonomy of the basic unit were straightforwardly and sincerely presented to the General Secretary. These are the imperfections requiring augmentation in (draft) Resolution 306 of the Political Bureau and those things contrary to the "ensuring the autonomy of the basic level" spirit that must be revised in Decision 76 of the Council of Ministers.

## Straightforward Observations

Many management cadres believe that Decision 76 is only consistent when the economic situation of the country is completely stable. Meanwhile, the reality to this time is that we have not yet overcome the consequences of mistakes made in the recent price, wage and money policy. Assignment of autonomy to the basic unit is in substance the introduction of economic units to economic accounting. However, we still lack the necessary conditions and prerequisites for a foundation of accurate and complete accounting, and planning is still unstable and unbalanced. Nearly all the basic units were assigned plans late and occasionally many readjustments were necessary. Primary material supplies and raw materials are not balanced with the production mission and great fluctuations often occur in the plan achievement process. The price system is still irrational (because the calculation of equipment and material prices and wages is still inaccurate and insufficient, production costs do not reflect all production expenditures, product sales prices do not accurately reflect value, etc.). Therefore, despite Resolution 306, the dynamism and creativity of the basic unit are still undeveloped and a basis has not been ensured for conditions to actively and completely take responsibility in production, business, profits and losses.

Bui Van Long, General Director of the Central Federation of Fabric Enterprises, calculated that due to mistakes made in setting the rate of



foreign exchange, the price of cotton yarn was set extremely low, causing the state to suffer an annual loss in this item of 8.4 billion dong. The setting of equipment and machinery depreciation is also only equal to one sixth of the value. According to Bui Van Long, in the Nha Trang Spinning Mill alone, after 15 years of operation (the end of the depreciation period), the state had to compensate for losses of 16.6 billion dong in cotton yarn, 4.5 billion dong in electricity, and 17.6 billion dong in state-operation credits. The mill itself also suffered losses with a shortage in machinery and equipment repair (small and large-scale) funds of nearly 4.5 billion dong, a loss of 2.9 billion dong in profits, a loss of wages and social insurance of more than 1.8 billion dong, etc.

Due to inaccurate and insufficient calculation, that remaining for the enterprise is not enough for simple reproduction and there are increasingly no conditions for production expansion. Worker salaries are presently too low compared with labor expenditures, but the interests of the worker (incentive and welfare funds), according to Decision 76, are based on these irrational aspects for setting the controlling rate.

The present budget payment system caused the directors of the Shoe Leather Enterprise and Saigon 2 Ready-Made Clothing Enterprise, in their presentation to the General Secretary, to reveal concerns about their ability to repay the principal of loans received for investment in the construction of projects at the basic level. It is primarily the irrational wage system, according to the "confessions" of a number of directors in the meeting with the General Secretary, that has caused units to use "surgery" to increase the income of the worker. Some directors calculated that under the working conditions of the enterprise, the worker at this point in time must be paid 5,000 dong before the labor force is reconstituted. However, to pay such a sum of money, the enterprise must "intricately" seek extremely complex methods of "application." Enterprises have account books established precisely in accordance with current law but, according to the director of the Cau Tre Export Goods Processing Enterprise, they are completely fraudulent. The account books that precisely follow receipt and expenditure reality and are closely connected to the present price-wage-money situation cannot dare be made public. We speak of autonomy but in reality, basic units are still shackled by many functional sections and sectors.

It was truly moving when Bui Van Long boldly told the General Secretary, "To achieve production development, we must rely on the laborers as the supporting base. However, our economic policies are causing the genuine laborer too many difficulties in life. Those on the job are not in the posture of a worker but of a person moving in circles in concern for something to eat." Or as Nguyen Quang Loc, Director of the Southern Laundry Soap Corporation, noted, "We often emphasize mechanism improvement but must straightforwardly state that from one resolution and directive to another, a foundation for a management mechanism that is truly effective and consistent with practice has still not been created. We have not yet studied the full nature of small-scale production and its development patterns, and do not clearly understand production and business management but only management following an operations and inspection style that is coupled with an attitude of fearing a loss in discipline, constant dealing with lower echelons as a precaution against negativism, etc.

Therefore, documents have been created that cannot be developed into active programs, with many procedures that are restraining, cumbersome and filled with contradictions, preventing the manager from ensuring the two factors of "superiority" and "speed," and causing him to constantly "miss the boat" in his own decisions."

#### Economic Policies Must Be Supplemented and Revised

From this actual situation, the units suggested to the party, the state and the General Secretary the following issues that must be supplemented and revised in economic policy in order to satisfactorily implement the Resolution of the Sixth National Party Congress:

--A two-part plan must be formulated (with the state providing material supplies and basic units achieving self-equilibrium) with widespread autonomy assigned to the basic unit, from the production to the product purchasing, selling and consumption steps, in the self-equilibrium part of the plan. Budget payment obligations must be stabilized in one period with an incentive policy for units for self-investment, construction and new equipment to assist them in supplementing their independently acquired capital and repaying investment capital.

--In prices, it is necessary to redefine the rate of depreciation, calculating the actual comparison between the domestic and foreign markets and accurately expressing the true value of materials and products in accordance with the principle of ensuring developed and profitable production. The state must only stipulate a number of primary material and product prices related to the entire national economy; with authority assigned for the remainder to the enterprise in accordance with the customer.

--Concerning wages and income distribution: authority must be assigned to the basic unit for paying salaries on the basis of ensuring a daily intake of 2,200 calories and enough to raise one dependent. Restraints in incentive and welfare fund levels must be revised.

--The level of authority to receive foreign exchange of those units producing direct export goods and export-import exchange goods must be further increased.

--It is necessary to study simplification of ministries, departments and institutes, closely connecting research institutes with basic production units and with economic and technical sectors, enterprise federations and joint enterprises.

These are the problems requiring urgent revision in a series of other problems of economic policies that must be systematically and uniformly promulgated such as foreign economic policy, investment law, the emigrant exchange rate, exports and imports, science and technology, economic and technical sector management mechanisms, etc.

7300

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## EDITORIAL COMMENTS ON LIBERATING PRODUCTION

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 14 Jan 87 p 1

[Editorial: "Understand the Viewpoint of 'Liberating Production Force' in Drafting and Implementing the 1987 Economic-Social Plan"]

[Text] The fourth term of the executive committee of the municipal party organization held its second session to discuss a number of important matters, including discussing and deciding upon the direction, missions, and economic-social plan norms for 1987.

The conference discussed and unanimously approved the 1987 plan norms so that they can be assigned to the sectors and echelons for implementation. During the implementation process it will consider readjusting the official norms at mid-year.

In order to effectively implement the municipality's 1987 economic-social plan, a matter of foremost importance is fully applying the viewpoints "liberate the production force" and "make the people the root" of the Sixth Party Congress, in thought and specially in actual practice.

Our city is a locality with a dynamic and creative spirit which at an early date make practical contributions to liberate the production force, but in actuality in some places and at some times there are still manifestations of production being impeded, limited, or held back. Therefore, it is necessary to enable all echelons, sectors, and places, from the municipal level down to the basic level, first of all the economic sectors and the sectors related directly or indirectly to production, to firmly grasp the contents of the "liberate production force" viewpoint of the Sixth Party Congress and the specific measures, rules, and policies intended to manifest that viewpoint. It is necessary to grasp firmly and specifically economic thought and action based on, for only thereby can we actively create conditions favorable for the development of production. If we do not grasp, them, or grasp them in only a general way, we cannot accomplish anything, and indeed will act contrary to the spirit of the resolutions of the Sixth Party Congress and the Fourth Municipal Party Congress, and will create obstacles and difficulties for producers. We must enable the new economic policies adopted by the Sixth Party Congress, Resolution 306 of the Political Bureau, the decisions of the Council of Ministers on the family economy, Decision 34, and Decision 192 of

the municipality to truly become part of life, gain experience as we work, and supplement and perfect, in order to encourage the continuous development of industrial, agricultural, fishing, and forestry production. It is necessary to enter deeply, remain close to the basic level, and promptly uncover problems in order to find ways to resolve them, and at the same time struggling to eliminate all acts which impede the liberation of production.

In 1987 we must continue to cope with difficulties, but have the new advantage of the Sixth Party Congress having set forth work guidelines and methods. In 1986, because of the very positive struggle spirit of the city's party organization and population, although there were still many difficulties we increased the total value of industrial, small industry, and handicrafts production by 5 percent over the previous year. Although that rate was slower than during previous years, and although the norms regarding many primary products were not attained, that was an encouraging effort and also taught us the lesson that the city's people must take the initiative in attacking difficulties to win victories, not sit around and wait.

Going all-out in labor, with a dynamic, creative, and brave spirit, is still a decisive condition which helps us overcome difficulties, victoriously fulfill the 1987 economic-social plan, and make a real contribution to serving the three major economic programs set forth by the Sixth Party Congress.

5616

CS0: 4209/318

## HO CHI MINH CITY AGRICULTURAL PLAN DISCUSSED

Hanoi NHAN DAN in Vietnamese 26 Jan 87 p 2

[Article by Tran Quoc Khai: "The Agricultural Development Plan of Ho Chi Minh City"]

[Text] In the 1986 agricultural production year Ho Chi Minh City attained a number of outstanding accomplishments. The winter-spring and summer-fall rice areas surpassed the plan norms. The rice output increased by 20,300 tons over 1985 and was the greatest amount ever. The peanut area increased by 3.8 percent over 1985, tobacco increased by 30 percent, and the vegetable output amounted to 231,000 tons. The movement to raise hogs on a contract basis developed strongly among the people and nearly 10,000 families registered to raise hogs. The number of hogs--46,258---amounts to more than 21 percent of the total number of hogs in the city. There are 81,645 water buffaloes and cattle and there are nearly 2,000 dairy cattle, 4 percent greater than the plan norm. The movement for the people to raise bees on a contract basis also developed strongly. Both animal husbandry and cultivation developed in a relatively balanced manner, were tied in with each other, and clearly manifested the all-round development of agriculture in areas around the city, accompanied by the advance of the economic components, with the state economy playing the leading role and guiding and assisting the collective and family economies. At first only hogs were raised on a contract basis, then cattle and bees were contracted. Then chicken raising was brought into the orbit of contract raising by the people. That course in Ho Chi Minh City is correct. The Dong Cu Chi irrigation canal system irrigates 3,000 hectares of rice and peanuts and has caused the "Steadfast Land of Steel" to become increasingly green. The agricultural cooperativization movement was consolidated step by step and the open recognition of poor quality in the precincts and districts after the self-criticism and criticism campaign was a good transformation and was supported by the people.

However, the all-out efforts of Ho Chi Minh City during the recent period were not worthy of its potential. The city is a large industrial center but it invests little in agriculture. The mechanization of cultivation is still in the experimental stage. Many areas in Cu Chi, Binh Chanh, and Hoc Mon the peasants still have to spade the soil and thresh rice by hand and winnow the paddy by using woven mats, and there are insufficient work tools. Comrade

Hoa, deputy chairman in charge of agriculture of Binh Chanh District, an important rice district in the municipality, said that in Binh Chanh there are still more than 3,000 hectares of broadcast-sown rice with low yields, and attention has not been paid to creating conditions for peasants to apply technical advances to production. In 1986, the amounts of fertilizer and pesticides supplied met only one-third of the needs, so the summer-fall and winter-spring rice yields and output fell short of the plan norm.

A matter worthy of concern is that the vegetable areas declined because the investment and price policies toward people who grow vegetable were not satisfactory.

"Investment in agriculture around the city serves the city proper." That direction was included in the resolution of the Fourth Congress of the Municipal Party Organization. It not only noted the recent deficiencies but also pointed out the working method for the coming period. After the Sixth Party Congress, agricultural development in Ho Chi Minh City was made more explicit in order to carry out the three major economic programs: food production, consumer goods, and export goods. Comrade Nam Xe, director of the Agricultural Service, said that in order to victoriously carry out the three major economic programs, the municipal agricultural sector has been concretized by means of four programs: a food production program, a grain program, an export agricultural program, and a dairy cattle program. First of all, it is concentrating on creating specialized vegetable-growing areas, an objective of foremost importance in order to form a solid food-producing belt. In future years the specialized rice-growing area will amount to 15,000 cultivated hectares, and efforts will be made to increase output to 270,000 tons in 1987. Hog raising will be strongly developed in order to have 280,000 hogs by the end of 1987, and so that poultry can increase to 3 million head, 385,000 more than in 1986. With regard to grain, we will promote intensive cultivation, endeavor to attain a per-capita average of 460 kilograms of grain per agricultural worker, and set aside some of the grain for animal husbandry and export. Reducing the use of rice, and replacing it with processed subsidiary food crops, in the people's diet is also an important policy.

Exporting to reinvest in production is the central mission of the municipal agricultural sector's agricultural products export program. The city has many policies to promote the export of such products as peanuts, tobacco, pineapples, frozen pork, frozen shrimp, etc., and to cooperate closely with the Soviet Far East. The dairy cattle program is also one of the city's new programs. Based on the results of contracted-out cattle raising by the An Phu state farm, the city will triple the number of dairy cattle during the next 2 years, and endeavor to have 5,000 dairy cattle which will provide 10,000 tons of milk a year. At present, Ho Chi Minh City produces 10 tons of fresh milk a day to supply the people in the city proper.

According to comrade Nguyen Van Ba, chairman of the people's committee of Hoc Mon District, which has the largest vegetable area in the municipality, policies and organization are the decisive factors in the development of production. The city and the state must have suitable policies to stabilize and develop the specialized vegetable areas. Hoc Mon did not stand by passively, but made loans to the lowest interest rate to provide production

capital to the peasants. The problems were prices and the organization of state purchasing. In that regard, the agricultural sector has a plan to completely reorganize the production and distribution of produce in the new spirit of the resolution of the Sixth Party Congress and satisfactorily resolve the price problem and the organizational system for the state purchasing and distribution of produce. The key matter is to enable the producers to be at ease and earn profits is to eliminate the unnecessary middlemen so that consumers can buy the products at reasonable prices. If the vegetable producers are to be at ease, first of all it is necessary to stabilize the supplying of grain. Last year the vegetable area declined, primarily because the supplying of grain was not satisfactory. Recently the city amended its policy toward supplying grain to the specialized vegetable areas, and sells 19 kilograms of rice per worker and 9 kilograms per dependent. The broad peasant masses support that plan and produce contentedly.

Many problems that have been posed are being resolved by the city, such as the mobilization of 30,000 tons of agricultural tax rice and two-way goods, to set aside for livestock feed production, along with the expansion of joint operations and alliances with other provinces, which are important policies in order to have 180,000 hogs by the end of this year and create momentum for the fulfillment of the plan to have 300,00 hogs produced on a contract basis for the city, double the present number. In 1987, the city will endeavor to export 5,500 tons of peanuts, 5,000 tons of frozen pork, 7,000 tons of pineapples, etc., in order to import materials for the agricultural front. The Machinery Corporation of the South and the municipal industrial sector have also drafted plan to serve the food production and export programs in the city and the Nam Bo provinces, with priority to supplying equipment, parts, and tools for the city's agriculture. The agricultural cooperativization program is continuing to be consolidated, the quality of the collective production units is being improved, and the economic components are jointly concerned with comprehensively developing agricultural production in all villages, subprecincts, precincts, and districts.

The city's agricultural potential is still very great. The peasants in Binh Chanh can increase rice yields to 9 to 10 tons of paddy per hectare per year, and the city's vegetable areas can provide production of up to 300,000 tons a year, enough to supply fresh produce to the city's people and for export. If there is a dynamic management mechanism, a system of correct policies, and the organization of complete management in the spirit of the resolution of the Sixth Party Congress, which concentrated on the three major economic programs, the agricultural potential in areas around the city will be exploited rapidly and rationally and will become reality.

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CSO: 4209/342

## AGRICULTURE TERMED NUMBER-ONE FRONT

Hanoi THONG KE in Vietnamese Dec 86 pp 29-31

[Article by Le Ngoc: "Agriculture, the Main Front: Perceptions and Reality"]

[Text] The Lives of the Peasants and the Circulation of Products

To say that agriculture is the main front also means that it is necessary to ensure that the combatants on that front have a "minimum" standard of living; at the very least, they must be treated the same as other workers. That thought has been stated openly in the stands and policies of the party and state.

But in actuality, the lives of the peasants, which have always been difficult, have been excessively harmed in many ways. That is not to mention their deficiencies with regard to conveniences and their morale and cultural lives which, although much improved over the past are still far inferior to those of the cities and industrial zones (those disadvantages should be compensated for with an improved material standard of living). The material lives (in terms only of food needs, for the other aspects are all too clear) of the peasants are not only inferior to those of the intermediate strata or of people earning their livings by illegal means, but are also in many respects inferior to those of workers and civil servants (the strata regarded as having the most difficult living standards (see Chart 8).

In comparison to other countries, that level of food consumptions is very low, but it accounts for about 80 percent of the total income of agricultural cooperative families. Most of their personal income is derived from the family economy (from 51.5 percent in 1976 to 68.9 percent in 1983). However, their right of product mastership (including the products of the collectives) is not respected or protected by law. That is manifested most clearly in the selling of agricultural products and the buying of agricultural materials by means of two-way contracts between the state purchasing organs and the cooperatives or peasants. To day "two-way" implies that the peasants only sell when the price is right, but in fact the only beneficiary is the state purchasing organ. The producers must suffer. The following are examples:



First of all, harm with regard to prices: The wholesale agricultural purchase and sales prices are set by the state but the excessive disparity between them has harmed the peasants both when they are the seller and the purchaser. Indeed the state purchase prices of many types do not cover costs. In 1985 alone the cooperatives in Ha Nam Ninh had make up for 700 million dong in the state purchase prices of rice and pork so that they could be sold to the state at the stipulated prices. On the average, each cooperative lost 2 million dong. The same was true in Hai Hung. Meanwhile, the state purchasing organs earned excessive profits. What was the source of those profits? For example, in the first quarter of 1986 alone the grain corporation of Chi Linh District (Hai Hung) earned 8 million dong in profits. The prices of production means sold by the state are too high, even higher than on the outside. For example, oil to operate pumping machines is purchased from the state at the price of five dong per kilogram, but must sell 4.5 kilo of paddy to the state at the obligatory price. On the outside the price is 10 dong per kilo but it is delivered in the full amount, with no conditions. Clearly, the outside price is lower and more convenient.

Profits and losses regarding the goods ratios and structure. The state purchases agricultural products and requests the peasants to produce goods needed by the state, but does not sell them the production means they need. At times and in places the two-way relationship is also used to market goods that do not move well. With regard to the buying-selling ratio, according to value (the value of all goods sold by the state peasants to the state, and the unfair disparities in the buying-selling ratios between the state and the peasants are becoming increasingly great. (Sec Chart 9).

Clearly, the goods sold by the state to the peasants are very few (in comparison to those bought by the state), are unstable, and have gradually declined.

In addition to the evident harm, the peasants are also subjected to many troublesome, bothersome "regulations" of the bureaucratic style, which ultimately amounts to economic harm. A widespread phenomenon is that when they sell products the peasants do not receive their money right away. The state sometimes owes them for years but when the peasants buy from the state they cannot buy on credit. Under the circumstances of money losing value, every day money is not received it is worth less. Even worse, treatment is unequal. When they violate a contract, peasants are punished in many forms at many levels, including administrative measures. But the state organs are not subjected to any punishments. Of course, the people who must suffer all losses in the end are also the cooperative members and peasants--fighters on the main front. We would like to quote a member of the party committee of Ung Hoa District in Ha Son Binh, when asked about the present situation in the rural areas: "The people work but do not have enough to eat, and the state purchase prices of many goods do not cover the money invested, so how can anyone be enthusiastic? Furthermore, during the past year or so many kinds of expenditures and contributions have affected the rice supply and the cooperatives and cooperative members have had to endure the subsidy system. Economic accounting has been adopted, but at the village level the subsidy situation has become even more serious. The cooperatives must supplement the amounts of paddy and money in order to buy pork, silkworm cocoons, rice, etc.

The cooperative members, of course, have to pay supplemental sums amounting to hundreds of thousands of dong. Everyone approves of subsidies of the families of war dead, disabled veterans, and headless households, but they cannot bear the subsidies for the party, administrative, and mass association apparatuses at the village level, including liquor for receiving guests. Let us take Lien Bat village (an advanced model village of Ung Hoa and Ha Son Binh) as an example. In 1985 Lien Bat paid the state subsidies amounting to 1,612, 800 dong and subsidies within the cooperative amounted to 969,900 dong, an average of 1,958 dong (new money). That is a reason why the value of a workday was low and the cooperative had a budget deficit. In 1982 the value of a workday was 1.1 kilograms of paddy, in 1985 the value of a workday was only 7 taels, and if that subsidizing trend had continued it would have been even lower in 1986. That is not to mention other losses suffered by the rural workers. Cooperative members have abandoned their land or returned some of their contracted land because they work hard but their income doesn't amount to much very few people abandon their land because they want to become merchants. If the policy was sympathetic and rational the cooperative members would not abandon their land." With regard to the rural situation, the central echelon has sent many investigating groups to the provinces. One group went to Lien Bat. The director of the cooperative stated very frankly, "I have been a village party committee member for 11 years and have served as a cooperative director 13 years and have never seen the agricultural situation as difficult as it is today. I want to alert the central echelon to the danger that only the weak and deficient will remain in the rural areas, while the young will flee the rural areas at any cost. In my cooperative, nearly all of the skilled farmers are gradually growing old, while the youths hate agriculture. Their parents (including key cadres) encourage their children (and even pay bribes) to find other trades and not remain in the cooperative. The labor force is gradually shrinking. I conversed with some of the peasants and found that they were all worried that if the present trend continues agriculture will gradually be abandoned. Agriculture is called the main front, the leading edge, and the number-one goal, but most of the peasants do not earn enough to eat and only want to abandon the agricultural front. They would lead much better lives as merchants. It is extremely irrational that peasants buy many agricultural materials, such as insecticides, POL, and machinery, and often have to buy them on the outside at very high prices, but they must sell many kinds of products at prices imposed from above. Such a policy is in no way fair, and no matter how much they increase yields or output they aren't able to keep much." The opinions of those two comrades are typical and reflect rather accurately the actual situation in the rural areas and the thoughts of the cooperative members. Of course, everywhere and at all times it has been the case that some people in the rural areas are well-off and others are not so well-off. It is estimated families "do not produce enough to eat." That is the social aspect of life. It is very regrettable that we do not yet have enough data to carry out an in-depth analysis and find out what percentage of the peasants do not have enough food and clothing because of natural disasters, what percentage is because of inappropriate policies and mechanisms, what percentage because of red tape and harassment, and what percentage because they are lazy. But let us consider some reports by Cuu Long Province, a wealthy province in western Nam Bo, which were sent to the central echelon on 15 July 1986, after studies were carried out in four districts with ordinary natural conditions. The report dealt with three

districts, each of which has a population of more than 20,000 and experience food shortages during the 3 months between seasons. In one district about 1,000 households no longer have anything to sell to buy food. In some villages the people have no mosquito netting, nearly 50 percent were poorly clothed, many children were unable to go to school because their parents didn't have enough money for tuition, textbooks, notebooks, etc. The reports also observed that in some places there were spacious and attractive assembly halls, theaters, and canteens, but many classrooms didn't have enough desks and chairs, or else they were rickety. Is the situation in Cuu Long unique or general? The answer must be based on the results of accurate quantitative studies based on many different norms. We hope to return to this matter on another occasion. However, from other specific phenomena in many areas it is possible to reach the conclusion that the lives and interests of the peasants have not yet received adequate attention and the relationship between the state and the peasants in many places is not yet in accordance with the spirit of the party resolutions. Therefore, in some places the peasants have boldly posed the question, "Have the party and state forgotten about the peasants?" The people want the answer to be real action. As Uncle Ho taught, "The people can understand the value of freedom and independence only when they are well-fed and well-clothed." The reason why that question is asked is that in theory, in history, and in the sentiment of all peasant families there is an answer: only by following the party and socialism can they have enough food and clothing.

In our country, the extremely important position of agriculture does not have to be demonstrated. It is a vital interest of everyone and all sectors in a relationship that is the basis of existence, the objective, and the object of service of the sectors. One person used the image of agriculture being the backbone of our country's economy at present. Of course, it must be the main front, a leading edge, and the number-one center. But in fact, over a period of many years it has not been up to its role and position. In other words, in actuality the main role is not yet played by agriculture.

In the coming period we must truly regard agriculture as the main front. By what means? By means of action programs and struggle goals for all units, sectors, and localities, under the general topic, "all for the main front--the agricultural production front."

Chart 8

Volume of consumption of some principal products, per-capita monthly average for worker-civil servant and peasant families:

|                        | 1980         |                 | 1983         |                 |
|------------------------|--------------|-----------------|--------------|-----------------|
|                        | Worker-Civil | Servant Peasant | Worker-Civil | Servant Peasant |
| Grain (KG)             | 11.5         | 11.9            | 11.9         | 13.3            |
| Fat Meat (KG)          | 0.6          | 0.3             | 0.6          | 0.4             |
| Seafood (KG)           | 0.4          | 0.7             | 0.3          | 0.5             |
| Eggs, chicken and duck | 0.5          | 0.5             | 0.4          | 0.4             |
| Sugar and honey (KG)   | 0.2          | 0.1             | 0.2          | 0.2             |
| Fish sauce, dipping    |              |                 |              |                 |

sauce (liter) 0.5

0.5

0.5

0.4

## Chart 9

Buying-selling relationship between peasant families and the state (%):

|  | 1980  | 1981  | 1982  | 1983  |
|--|-------|-------|-------|-------|
| Ratio of purchases of<br>state goods as part of<br>total purchases | 12.4  | 20.3  | 14.0  | 8.7   |
| Ratio of sales to state<br>as part of total sales                  | 21.7  | 35.0  | 24.6  | 27.3  |
| Ratio between sales to<br>state and purchases from<br>state        | 156.9 | 161.6 | 171.2 | 384.4 |

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CSO: 4209/332

## HO CHI MINH CITY AGRICULTURAL PROGRAMS DISCUSSED

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 14 Jan 87 p 1

[Article by "T.L.": "The Four Programs of the Municipal Agricultural Sector: Food Products, Grain, Exports, and Milk"]

[Text] The direction of agricultural production in the city in 1987 will be to form food-production belts and areas specializing in growing short-term industrial crops, and to ensure sufficient grain for agricultural workers outside the city. That direction has been concretized into four programs: food products, grain, exports, and a program to raise dairy cattle. Along those lines, in 1987 the agricultural sector and the districts around the city will endeavor to attain the following plan norms: 270,00 tons of vegetables, sufficient to meet 70 percent of the needs of the city's people; 270,000 tons of grain; 280,000 hogs by the end of the year; 269,000 tons of short-term industrial crops (peanuts, tobacco, sugarcane, and pineapples); agricultural products for export valued at 18 million dollars-rubles; and the construction of a center to produce and supply dairy cattle of the Holstein breed to create a basis on which the city can, by 1990, have 5,000 dairy cattle to provide 9,000 to 10,000 tons of fresh milk a day.

To attain those goals, the city will build additional material-technical bases, such as water conservancy, electricity, and road-building projects, invest in fertilizer and pesticides, and have a price policy that truly encourages producers. The city and the districts must meet 30 percent of their needs for agricultural materials which are still in short supply and which the central echelon cannot provide from existing source to ensure sufficient materials to meet the need of production.

In 1986, because difficulties were encountered with regard to weather, the management structure, and the investment and price policies, the plan norms regarding the production of grain, vegetables, and hogs were not attained, but they were 6 to 7 percent higher than in 1985. Vegetable production declined by 13 percent in comparison to 1985.

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## EDITORIAL LISTS STEPS IN INCREASING FOOD PRODUCTION

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 3 Jan 87 p 1

[Editorial: "Many Tasks Must Be Performed To Positively Carry Out the Food Production Program"]

[Text] The food production program, which is the foremost of the three programs set forth by the Sixth Party Congress for the period from between now and 1990, is tied in with affirming that agriculture is truly the foremost front. In brief, the struggle goals of the food production program are to meet the needs for food consumption by society, the reproduction of labor, and reserve stocks.

Now more than ever, the people and comrades in Ho Chi Minh City realize the extremely great significance of the three programs in general and the food production program particularly, when they have trouble buying rice, when the rice is of poor quality, and when food prices steadily increase. And when rice in areas around the city are damaged by leafhoppers, and when there is a shortage of pesticide and we must make do without it, we realize even more clearly that something must be done to increase food production. Because of the urgent requirements of the city and the people, our people and comrades realize more and more clearly their great responsibility in exploiting and bringing into play the strengths of an industrial and scientific-technical center in order to be of practical, effective service to the food production program.

The major measures for carrying out the program include ensuring that agriculture, including fishing, receives priority with regard to meeting its needs for investment capital, energy, materials, and technical workers, with concentration on the key areas. Increased investment must be accompanied by a renovation of the management mechanism and enabling science and technology to truly become part of the production forces. We must urgently amend and supplement the economic policies, especially the materials supply, goods circulation, prices, taxation, and credit policies, to encourage workers to enthusiastically develop production.

On the basis of those major measures, at the Sixth Party Congress Comrade Vo Tran Chi read a speech which further concretized the working methods of Ho Chi Minh City to serve the three programs, including the food production

program, in the region generally and in the areas around the city, which we discussed in the editorial "The City and the Three Major Programs," which was published in our 25 December 1986 issue.

The workers, peasants, handicraft workers, and all strata of people in the city approve of the opinions regarding the direction and methods which the municipal delegation expressed at the Sixth Party Congress. But we have found that public opinion is concerned with such working methods as the following to enable the food production program to truly be promoted and developed:

First, it is necessary to supervise and oversee investment, so that it can be meticulous, timely, and active. If we are not farsighted and active, and "do not jump until the water reaches our feet," we cannot carry out production, or if we do produce, if we suddenly encounter a natural disaster or damage caused by leafhoppers, we cannot react in time.

The second is the signing of contracts, a taking the initiative in supplying sufficient amounts of materials to the peasants in a timely manner and, along with the peasants and the other workers on the agricultural front, discuss and conclude appropriate contracts, in order to ensure both the interests of society as a whole and the legitimate, rational interests of the workers. In addition to the products delivered in accordance with the contracts, surplus production must be sold "when the price is right." There absolutely must be no cases of "coming to agreement based on guidance prices," which in fact is to impose prices and cause workers to suffer losses. In the event that, because of one difficulty or another, a contract cannot be signed, and the workers on the agricultural front must obtain most of their own production materials, their products must be sold in accordance with the principle of true mutual agreement, and if the state purchasing organs are unwilling to buy the products at a price the peasants find acceptable, they must be allowed to market and circulate their products without hindrance. The situation of "forbidding markets to be held, imposing a blockade, imposing prices, etc." must be ended.

Because they love their country and socialism, the peasants and the producers of food ardently insist that the echelons and sectors truly and sincerely resolve the difficulties in agricultural production, enter deeply into resolving specific difficulties in the production process, and when products are harvested that there be fair prices and contract exchange ratios, while also organizing state purchasing meticulously and suitably, while working hard and avoiding being bureaucratic and arrogant. If that is not done, it will be difficult for the state to purchase products and for production to develop. The three programs are interrelated and affect one another, so in order to promote food production the city cannot be concerned only with affecting it by means of the strength of industry and science and technology, but must also fully utilize capabilities to promote the production of consumer goods that suit the tastes and needs of workers on the agricultural front, and regard that as one of the principal means to advance that important program, which was strongly promoted by the Sixth Party Congress.

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CSO: 4209/304

## SERIOUS INFRACTIONS OF PRICING REGULATIONS UNCOVERED

Hanoi NHAN DAN in Vietnamese 23 Jan 87 p 2

[Article: "Nearly 26 Million Dong Recovered from Infractions of Pricing Regulations"]

[Text] Many provinces and cities are paying attention to price control and inspection. In 1986, 27 provinces and cities controlled and inspected prices in 922 units of the state and collective sectors (including 20 units managed by centrally run sectors), and found that 579 units (62.7 percent) had seriously violated pricing regulations, which resulted in a total deficit of 50 million dong. The drive to curb these violations led to economic penalties amounting to 25,656,900 dong, including the recovery of 25,337,200 dong in price differentials, and the imposition of 319,700 dong of fines for infractions of pricing regulations. In the "free" market, 16,396 out of 35,173 inspected individual households were found to have violated pricing regulations; fines were imposed on 11,301 of these delinquent households and 1,723,400 dong in price differentials were recovered for the state budget.

Many localities concurrently took administrative measures, such as prosecuting a number of cases and asking the responsible organs to examine them for criminal proceedings. The local people welcomed these measures and participated in market and price control.

However, in view of the requirements of the struggle to reestablish order in the pricing domain, price control and inspection were not carried out extensively and vigorously enough. To date, many centrally run production and business management sectors and many localities have not yet paid due attention to controlling and inspecting prices, and to dealing with violations of state pricing regulations. Of 922 state-operated and collective units which were inspected last year, only 20 fell under central-level management, while almost all the remainder was controlled by the State Price Commission and concerned agencies. The Ministry of Food alone reported that it personally controlled units falling under its own sector's management. Last year, almost one-third of all provinces did not control and inspect prices. While many untoward, sometimes confusing, fluctuations were taking place in the "free" market and price situations, the implementation of pricing regulations by private commercial households in concentrated markets was inspected less



frequently than in 1985. This showed a slackening of management. In general, violations of state pricing regulations were not dealt with promptly and firmly. Economic measures were taken to recover only 50.02 percent of the money deficit arising from pricing infractions by state-operated and collective units. The administrative measures taken were too few and negligible in all state, collective, and private sectors.

There is an urgent need to reestablish order and law in socioeconomic activities, in general, and in the pricing and market situation, in particular. Therefore, control and inspection are essential, and require that all sectors at all levels and all localities pay continuous and due attention to these tasks.

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CSO: 4209/296

## REASONS FOR RECENT PRICE INCREASES EXPLAINED

Hanoi QUAN DOI NHAN DAN in Vietnamese 13 Jan 87 p 3

[Interview with Nguyen Dang Khanh, director of the Price Department, the Ministry of Home Trade: "Why Are Rapid Price Changes Occurring on the Market and at State Stores?"]

[Text] Question: one of the problems directly affecting the standard of living and everyday life of each stratum of the laboring people and the armed forces is that the prices of products on the market are changing rapidly. At state stores, the prices of many products have also risen. Would you please give us your views on these price changes?

Answer: it is true that prices rose during the final months of 1986 compared to the final months of 1985, but not all prices have risen. In keeping with decision 117-HDBT dated 4 October 1986, practically all northern provinces have maintained the price levels set in October 1985 for the rationed goods in which the commerce sector does business, namely, meat, sugar, fish sauce, fuel and soap sold to cadres, manual workers, civil servants, the armed forces and policy recipients. They have maintained the retail prices of goods sold under social policies, such as milk for newborns and persons who are ill, writing paper for students, etc. Maintaining these prices caused a large budget deficit and created many difficulties in the business operations of the commerce sector. However, the entire sector worked hard and maintained prices. Some provinces that were permitted to sell products at one price began subsidizing the wages of cadres and manual workers at the rate of the difference between selling prices and the prices set in October 1985.

With the aim of implementing a one price policy in keeping with the resolutions of the 5th Party Central Committee, the Council of Ministers adjusted the prices of some essential industrial consumer goods and the commerce business prices of some coal products and building materials upward to bring them in line with production and marketing conditions, which had changed significantly compared to October 1985, in order to gradually prepare for the normal and convenient sale of products to consumers. On this basis, the Ministry of Home Trade was permitted, together with the State Price Commission, to set corresponding prices for the other specific products.

On the other hand, the Council of Ministers permitted the sale of non-essential products, such as cigarettes, wine and so forth, and high grade products, such as television sets, refrigerators, table fans and so forth, at flexible prices with a view toward helping to establish a balance between goods and money, increasing budget revenues, regulating consumption and struggling against the market. The prices of these products also increased compared to October 1985.

Besides the increase in prices that are closely directed by the state, the prices of some products obtained by the commerce sector outside the plan through economic ties and so forth at negotiated prices have also increased by a large amount. Because these products come from different sources, their selling prices are not the same. This has caused many difficulties in the management of prices and the management of goods and has given rise to negative phenomena within the commerce sector. In summary, in recent months, the prices of the rationed goods sold to cadres, manual workers, civil servants, the armed forces and policy recipients and the prices of the products sold under social policies have been maintained. The state has raised support prices of a number of other products so that they are not produced or circulated at a loss and raised the cost of living allowance paid in wages an additional 40 percent with the aim of reducing the difficulties being encountered by wage earners. However, because prices on the social market have risen rapidly, the living conditions of wage earners are still very difficult and unstable. Therefore, stabilizing the economy and stabilizing the standard of living continue to be the important targets and tasks of the state plan and the entire home trade sector in 1987.

Question: what are the causes of this confusing situation?

Answer: the causes of this situation are "the combined effects of many factors that are exerting an effect within the economy and social life at the same time"(the Political Report of the Central Committee of the CPV at the 6th Congress). Specifically, concerning prices:

--Unstable production at a time when materials are in short supply and not matched has affected labor productivity and caused production costs to rise. The materials obtained by enterprises on their own have not been obtained at stable prices, consequently, the prices at which enterprises sell their goods to the home trade sector have constantly risen, thus quickly pushing up retail prices. For example, lacking some of the chemicals needed to make soap, enterprises and localities have imported these materials at prices higher than the material prices set by the state. The price of coconut oil in the southern provinces has also risen rapidly and is now 9 to 10 times higher than it was in 1985.

In the case of agricultural products, production conditions have been even less stable, consequently, the procurement prices of agricultural products have also had to be raised. Compared to late 1985, pork prices have increased 7 times in the North and 9 times in the South. Soybean prices have increased 7 to 8 times, green bean prices 8 times, etc.

--Supply and demand are not in balance. Practically all goods, from needles, thread and vegetables to televisions and sewing machines, are in short supply. Although the output of some domestically produced goods as well as the quantity of some goods being imported have increased, they still fall far short of meeting the needs of society.

--Inflation is the main cause of the rise in prices. Due to construction, production and everyday needs, the volume of money in circulation is very large. However, the production of goods has not kept pace. Much money is held by the people and few goods are available, consequently, prices rise. In addition, fear of the dong losing value has resulted in goods being bought even when they are not needed, thus creating artificial demand and causing prices to rise even more rapidly.

--The social market has not been organized well. There is no division of labor or coordination between state commerce and cooperative commerce in procurements and sales. Continuing confusion, arbitrary practices and competition have resulted in chaotic and rapidly rising prices. Private merchants have not been transformed or reorganized well and are still competing with the state, thus pushing up prices.

--The division of price setting responsibilities is not good and does not correctly insure the autonomy of basic production and circulation units, consequently, prices are not closely managed. Many localities and basic units set prices as they see fit. They do not comply with principles or set prices on a scientific basis. However, inspections and the enforcement of price discipline are not strict (even though the state has issued a decree on price discipline). No one is fined, consequently, there is no compliance with price discipline.

--There are also shortcomings on the part of the commerce sector. In the face of the difficult situation surrounding the sale of goods due to the imbalance between supply and demand, between goods and money, many basic units have held goods back from the market, thereby causing prices on the free market to rise. This rise in prices on the free market has made it even more difficult to sell goods, consequently, prices have risen even further. Internal prices and outside prices keep pushing each other upward. Taking advantage of this opportunity, many state store personnel are now earning money illegally. This poses a major threat to the economy and the standard of living and must be immediately corrected.

Question: what will the commerce sector do under the resolution of the 6th Party Congress to help stabilize prices?

Answer: in our country's current socio-economic situation, stabilizing prices is a pressing requirement. However, stabilizing prices is a long-range process and cannot be done in the space of a few months or 1 year because the basic prerequisites to stabilizing prices are to develop commodity production, achieve high productivity and produce many products at low prices. Many years of struggle will be needed to fully establish these conditions. All society, most importantly the production sectors, have a responsibility in this issue.

The commerce sector has the responsibility of helping to stabilize prices by means of the following measures:

--Reorganizing circulation in accordance with laws and in an orderly manner; abolishing competition among the components of socialist commerce; transforming and reorganizing private merchants; and not allowing private merchants to compete in procurements and sales with the state?

--Taking positive steps to control goods in order to put the majority of goods into planned circulation; reorganizing distribution to insure that the legitimate needs of the various strata of the population are met, most importantly the needs of the laborer, and insure that goods are delivered to consumers who truly have a need at reasonable prices.

--Accelerating sales in order to rapidly increase revenues, increase the turnover of money, thereby helping to curb inflation, that is, helping to eliminate the main cause of price increases.

--Maintaining strict price discipline. The ministry, commerce services and management agencies of the state within the commerce sector must intensify their inspections and closely supervise compliance with prices by the basic organizations within the sector from the central to the local levels. Violations of the law must be strictly prosecuted and proper implementation of the law must be commended. In this work, the Ministry of Home Trade needs the assistance of honest laborers very much.

The human factor is the decisive factor. More must be done to educate state store personnel in honesty and loyalty, in the view of living on the basis of one's honest labor and in the attitude of providing civilized, wholehearted and polite service.

7809

CSO: 4209/294

## PROBLEMS WITH COOPERATIVE BUSINESS STORES IN HO CHI MINH CITY

Hanoi QUAN DOI NHAN DAN in Vietnamese 15 Jan 87 p 3

[Article by Thu Ha: "Business Cooperation in Ho Chi Minh City"]

[Text] Anyone arriving in Ho Chi Minh City several years ago immediately saw that the activities of unorganized commerce were widespread. The outdoor markets selling electric fans, cloth, thread and other general merchandise were centers of very disorganized trade and prices fluctuated. Many products were "secretly sold" if a customer had a need for them. The management provided by the state was based only on the amount of business revenues declared by each business (an amount that was very small). As a result, artificial "panics" often occurred, which created among consumers the psychology of needing to buy and hoard goods...

To gradually restore order to the market, Ho Chi Minh City brought businesses into productsector organizations in which the form of trade is business cooperation and the state and the people pool their capital. To date, the city has established more than 1,000 business cooperation stores in the various commerce sectors, such as electric fans, electronics, general merchandise, cloth and thread, the services, the food and beverage sector... According to incomplete, estimated figures, the volume of business, in procurements and sales, of the system of business cooperation stores is quite high, equalling 50 percent of the volume of business of the entire socialist commerce sector of the city.

Everyone visiting the business cooperation stores in the former outdoor markets notices the changes that have occurred. The disorderly stands have been replaced by neat and orderly stores and counters. The price of each product is clearly posted. Sales persons are cordial, polite and seek to please customers. One basic strongpoint of the business cooperation form of trade is that it always creates a source of goods that meets the very diverse consumer needs of the people of the city, not only from the standpoint of quantity, but the standpoint of variety as well.

However, in the more than 1 year that the business cooperation stores have been in operation, they have also exhibited many negative phenomena. Many business cooperation stores have violated price discipline by setting procurement and selling prices on their own, selling products at very high

prices, listing different prices where products are displayed than where they are bought and bringing goods in from the outside to sell at counters and not recording them in their books in order to evade taxes. Some cooperative business stores have also been buying and selling fake goods, thus harming the consumer. For this reason, public opinion has complained at considerable length about the activities of the cooperative business stores.

We have had an opportunity to survey a number of cooperative business stores in the 1st Precinct of Ho Chi Minh City. At the cooperative business store of the 1st Precinct Retail General Merchandise Corporation, according to the figures of the transformation committee, 560 cloth, thread and ready made clothing businesses and 224 electrical appliance businesses had been brought into business cooperation with the corporation as of the start of 1986. Under the guidance of the precinct people's committee, the corporation has established 24 cloth, thread and ready-made clothing business cooperation stores at the Ben Thanh and Tan Dinh Markets and 10 electrical appliance stores at the Huynh Thuc Khang Market. The member businesses have contributed 6.5 million dong in capital. The corporation has invested an equal amount and assigned 300 cadres to work at the business cooperation stores as store managers, bookkeepers and invoice writers. The cooperative business stores, which are still permitted to "buy and sell products on their own," sell their products at the prices set by the precinct price committee. The state only collects a 4 percent business tax on electrical appliances and a 3 percent tax on cloth and thread products. After deducting circulation costs, wages and so forth, the balance of business revenues is distributed among the member businesses at the rate at which they contributed capital. The wages of the laborers at the business cooperation stores is equal to 0.5 percent of the business revenues from the sale of electrical appliances and 1.5 percent of the revenues from the sale of cloth, thread and ready-made clothing. The corporation has planned its stores by product sector group in order to establish an accurate contract wage rate. For example, in the cloth and thread group, the average wage rate was 1.5 percent of business revenues. Within this group, a wage rate of 1 percent is paid at trouser shops, 1.2 percent at outer garment cloth shops, 1.8 percent at ready-made clothing shops and children's toy stores... By employing specific methods of calculation, the corporation has guided the various businesses in operating on the basis of a plan and regular procedures. Today, each laborer at a cooperative business store earns 800 to 1,200 dong per month. The cooperative business stores of the 1st Precinct procure goods worth hundreds of millions of dong. Through these stores, the state has begun to organize private merchants in individual product sectors, manage capital and prices, utilize technical labor, keep abreast of the volume of procurements and sales through invoices, learn how to organize sources of goods, learn the business tactics of private merchants... However, as many customers have observed, the results achieved through the cooperative business form of organization are still in the nature of a movement, are external results only. Facts show that the business cooperation stores still face many problems and have many weaknesses, which easily give rise to negative phenomena in the course of their activities. Many stores post all their prices but can still sell their products at lower prices. For this reason, many persons still do not have confidence in the prices or the product quality of the business cooperation stores. Why do they do this? Are they buying cheap goods? Or is it because they are licensed to do business in

one product but are doing business in an additional 10 percent of other products?

As regards trade practices, buying up goods at state stores is very widespread among the cooperative business stores. The market management board caught a worker from the Cloth and Thread Business Cooperation Store Number 5 in the Department Store buying 350 meters of oxford cloth. Each day, the business cooperation stores issue letters of introduction to personnel to buy large quantities of goods at the precinct and district commerce corporations, state stores and so forth, their objective being to "develop sources of goods." At the business cooperation stores, we have seen many persons bring in cloth to sell to the store. One person brought in 1,000 meters of cloth of various types to sell, practically all of which was obtained through the network of waiting all day at state stores to buy cloth and then selling it to profit on the difference in price.

When investigating the sources of goods of the cooperative business stores, we learned that the majority of their goods are goods procured at the airport, post offices and port piers (non-state store goods), goods taken from state economic units, goods siphoned from state stores and marketing cooperatives... In addition, thieves and persons engaged in illegal trade also market products at the business cooperation stores. Some goods stolen from state warehouses have wound up on display at business cooperation stores managed by the state! For example, one lot of wristwatches stolen from Xuan Loc State Warehouse in Dong Nai turned up at the Cooperative Business Watch Store at the Huynh Thuc Khang Market in Ho Chi Minh City. For this reason, the most serious problem being posed by the cooperative business stores is how to organize their sources of goods along positive lines that support and guide the consumer and producer and do not allow these stores to become "shelters" for all the negative phenomena that have long been unable to find shelter elsewhere.

During the first phase in the implementation of the policy of the Ho Chi Minh City People's Committee on correcting the improper activities of the business cooperation stores, more than 350 business cooperation stores under the Ben Thanh, Dan Sinh and An Dong Market Corporations and the General Merchandise Corporations of the 1st, 5th and 3rd Precincts and Binh Thanh District conducted a review to gain experience. In this review, all stores acknowledged that the above mentioned negative phenomena do exist. Thus, why do they exist?

We attended many of the study sessions held at stores. Through the statements made by store personnel, we learned that the management skills (of state cadres and personnel) at cooperative business stores are still very weak and do not meet management requirements. Many cadres are not well versed in products and do not have knowledge of each type product, particularly with regard to how to repair and store products. In addition, they do not have business experience. Consequently, they are unable to determine the procurement and selling prices of stores when necessary and are often deceived by dishonest merchants. Therefore, practically all store management boards must rely upon shareholders, consequently, they are not very effective in providing guidance or struggling against negative phenomena.



The prices at cooperative business stores are approved by the precinct and district people's committees, as a result of which they do not keep pace with price changes on the market. More often than not, once prices have been approved and sent to the stores, they are already lagging behind developments on the market, thus impeding the effort to guide business on the lower level. In the spirit of making both procurements and sales convenient, of being able to buy and sell products and to achieve the end result of business, a profit, procurement and selling prices at cooperative business stores can be flexibly set on the basis of market prices. However, profit margins are still very rigidly set. For example, the profit margin set for silk cloth is 10 percent. When supplies are abundant, stores want to reduce their profit margin in order to market products rapidly and increase the turnover of their capital, but are not permitted to do so. Therefore, consumers, who should be able to buy these goods at a slightly lower price, must continue to pay the stipulated price.

In the spirit of the state and the people contributing together, 50 percent of the operating capital of the cooperative business stores comes from the state and 50 percent from shareholders. At many places, however, the state has only contributed 30 to 40 percent. There are even places at which shareholders have contributed 100 percent. But profits are still shared at the rate of 50 percent for the state and 50 percent for shareholders. As a result, practically all shareholders in these stores share the common attitude that they are losing a significant amount. They thus look for every tactic and trick to earn additional money. This is the cause behind the arbitrary pricing for persons who have goods to sell and demanding very high deposits from buyers.

Recently, in keeping with a directive from the municipal people's committee, many cooperative business stores separated their buying and selling operations. However, the results achieved have not been significant because shareholders have not been willing to declare who their contacts are or report where they buy their goods and because management boards are not fully qualified. As a result, the job of making procurements continues to be assigned to shareholders and negative phenomena still have not been stopped.

In order for the cooperative business stores in Ho Chi Minh City to operate properly, we think that the market corporations and the precinct and district commerce corporations must take measures to guide management boards and shareholders in conducting a serious study and review to determine the cause of negative phenomena at their stores and adopt appropriate measures to deal with individuals who take advantage of weaknesses in the management and organization of stores to further their own interests. The Ho Chi Minh City commerce sector also must adopt appropriate management measures and build a force of core cadres who are well qualified and experienced in managing and organizing business in order to promptly put the operations of cooperative business stores on an effective and regular basis.

7809

CSO: 4209/294

## SUITABLE POLICIES TO BOOST ENTERPRISE AUTONOMY PROPOSED

Hanoi NHAN DAN in Vietnamese 23 Jan 87 p 2

[Article by P.V.: "Implementation of Enterprises' Autonomy in Production and Commerce"]

[Text] Over 90 directors of enterprise federations and individual enterprises, as well as representatives of economic committees and sectors subordinate to the central level and to the city and some Mekong Delta provinces, recently attended the 10th working session of the Directors' Club in Ho Chi Minh City to review the implementation of (draft) resolution No 306 of the Political Bureau and to propose to the Central Committee and the state that certain measures be taken to remove difficulties in order to develop the production forces and help implement three programs and targets set forth by the Sixth CPV Congress.

The views expressed by the directors concurred that despite some limitations, (draft) resolution No 306 of the Political Bureau and resolution No 76 of the Council of Ministers have fully defined the role of the management apparatus among basic economic units belonging to different economic components. This is an important strategic shift in the economic management policy of the party. Ho Chi Minh City has implemented these resolutions seriously, positively, and creatively, quickly conveyed to all enterprises the spirit and substance of the management innovation recommended by the party, carried out tests in, and drawn experiences from seven basic economic units. However, even after the promulgation of (draft) resolution No 306 of the Political Bureau and resolution No 76 of the Council of Ministers, production in the enterprises gained did not gain momentum and no major change was effected. Therefore, these installations have had to find measures other than those provided by regulations to stabilize and develop production and to provide jobs for the workers' subsistence. Almost all directors wanted to clarify the following fundamental questions:

Concerning economic accounting, the directors agreed that if it is to be accurate and complete, its constituent factors and the conditions necessary to its implementation--such as prices, production cost, and currency--must be stable and normal. However, these factors have always been unstable and sometimes been thrown into confusion.

Tran Tuu, director of the Federation of Pharmaceuticals Enterprises, contended that economic accounting can hardly become accurate as long as the C1 factors do not represent true values and the C2 factors remain subjective. Pham Binh, director of the Thu Duc power plant, cited examples showing that by carrying out activities according to the present management system, the electricity sector has not gained any M [as published] and has even lost both C and V (the price of a pack of Saigon cigarettes is equal to that of 10 kWh). The method of fixing income distribution rate has neither stimulated production nor stabilized the workers' lives. If done compulsorily, accounting will lead only to true loss and false profit. Tran Pho, member of the Central Committee Industry Department, said that though the present policy allows production installations to develop their autonomy, it has been promulgated at a time when it is impossible to develop this autonomy because of all kinds of shortages and numerous difficulties so that even the centrally run economic sectors can hardly implement this resolution strictly. Therefore, different approaches have been adopted in the Provinces of Dong Nai, Hau Giang, Long An, and Kien Giang. According to the director of the Vietnam Federation of Cigarettes Enterprises, (draft) resolution No 306 has inspired some enthusiasm, but resolution No 76 of the Council of Ministers still contains some limitations so that the cigarette enterprises are restricted in trying to exercise their autonomy. For example, had the cigarette purchase price been rational, the cigarette sector would have been able to buy 20,000 tons, but could never attain this figure in past years because the purchase price was set too low. The director of the motorcycle and bicycle corporation expressed doubt about the upper echelon's ability to supply materials to production installations, adding that his corporation may have to procure materials "by competitive means."

The working session of the Director's Club suggested that in view of the present economic situation, it must be admitted that commercial accounting will continue to be applied to some extent to the production and business activities of enterprises--that is, economic accounting will be implemented if raw materials and equipment are supplied by the state and if prices are stable, while commercial accounting will be applied if enterprises have to procure materials for themselves in addition to those provided by the state.

Concerning the division of enterprises' profit, the directors agreed that the distribution principle set forth in the resolutions is still unsatisfactory and irrational. Realities of life have demonstrated that people who stand the greatest loss are direct producers, including workers in diverse heavy industry sectors, and peasants. The law of average is still being applied to distribution so that active persons do not yet receive encouragement and proper treatment.

All directors believed that controlling the enterprises' profit has not resulted in stimulating productivity, improving quality, and increasing effectiveness. The director of the Chien Thang Fishing Enterprise criticized the parochial and unilateral attitude of certain local authorities in levying tax on marine products which are, however, the common natural resources of the entire country. Many other comrades said the present wage policy is replete with irrationalities.

In this regard, the Directors' Club proposed that in solving the problem of dividing profit--especially that of enterprises--greater consideration must be given to the basic interests of workers and peasants.

Concerning exports, the directors held that this task is as important as two programs, and targets for grain and food products and consumer goods must be met. However, for a long time the export problem has not been tackled by stepping up production, which must be considered the cornerstone; instead, the purchase of exportable goods has been competitive and prices have been unilaterally raised, with the result that both purchase and sale become impossible. To step up exports, the habit of partitioning the market must be firmly rejected, investments must be made in production, commercial associations and alliances must be set up, work assignment and cooperation must be done according to the socialist method, production must not depend on export and import but the reverse must be applied. The working session of the Directors' Club unanimously asserted that the state must monopolize exports and imports, but without eliminating the competition factor, because only through competition can quality be improved, a more effective export policy be implemented. To intensify exports, there must be skillful professional cadres, information on the world market must be provided quickly every day, and all production installations must have the right to deal with foreign countries, and these dealings must be broadened contrary to the fact that so far only those installations which attain an export value of more than 20 million dong are entitled to make such dealings.

As for the accumulation process at basic installations, the directors are of the opinion that organizing production means combining all productive factors, and that the management apparatus has been shown to be one-sided and stiff by the economic and technical sectors.

Therefore, the state must draw a clearer line between the economic administrative management function and the production and business management function (at present, a given sector cannot be self-sufficient and keep aloof but must associate with many other sectors and economic components, even with foreign countries).

The directors expressed the hope that the state will promulgate more appropriate policies to help update the management apparatus and to promote production development.

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## ROLE OF BANK IN SUPPORT OF DECISION 34 EXPLAINED

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 17 Jan 87 pp 1, 2

[Interview with Pham The Cung, Director of the Municipal Socialist Savings Fund, by Minh Chieu: "What Bank Serves People Producing in Accordance With Decision 34"; date and place not specified]

[Text] On 15 December 1986 the Municipal State Bank decided to entrust to the Municipal Socialist Savings Fund responsibility for opening accounts for and lending to people who produce in accordance with Decision 34 of the Municipal People's Committee.

In order to help the readers and families producing in accordance with Decision 34 understand that policy more clearly, a SAIGON GIAI PHONG reporter interviewed Comrade Pham The Cung, Director of the Municipal Socialist Savings Fund.

Reporter: We have just heard that people who produce in accordance with Decision 34 have the right to open commercial accounts at the bank.

Pham The Cung: That's right. The socialist savings funds of the precincts and districts (directly under the precinct and district bank branches) are available for lending to the above-mentioned categories.

[Question] What are the procedures for opening an account?

[Answer] The basic-level savings fund sets up a separate commercial desk for people producing in accordance with Decision 34. It will answer questions and provide guidance regarding opening accounts and borrowing capital. A person who wishes to open an account needs only submit papers including an application to open an account (under the guidance of the commercial desk), a copy of the production permit, a copy the population registration, and an identification card.

[Question] How long after an application has been made will the account begin?

[Answer] Ordinarily, no longer than 3 days after the paperwork has been completed.

[Question] If one has permission to produce in a certain precinct or district, can that person open an account in another precinct or district?

[Answer] In the immediate future, because it is necessary to begin to stabilize payments and accounting, we cannot yet meet such a request. But so that the account holder will not be confused in selecting a place to do business, the basic savings funds must renovate their service style to attract additional customers.

[Question] In the past, in a considerable number of cases the savings desks have created red tape for people making deposits in or withdrawing funds from savings accounts. If it takes on a new responsibility, will the Savings Fund be capable of meeting the business needs of its customers?

[Answer] It must be responsible for opening accounts for and lending to the categories under Decision 34 despite the present shortage of personnel and service conditions of the precinct and district socialist savings funds, which will be rather difficult. However, with the active assistance of the state banking system we think that they can meet the customers' business needs. For example, Official Letter No 237 of the Municipal Bank allows the bank directors and the directors of precinct and district savings funds to coordinate the distribution of cash to ensure full and prompt payment to meet the cash needs of the above-mentioned depositors.

[Question] Could you explain that point further?

[Answer] In other words, if the purchasing unit pays for the products of a person producing under Decision 34 by a bank draft, the account holder may request the withdrawal of cash, depending on the capability of the savings account.

[Question] How much capital is a person producing under Decision 34 allowed to borrow?

[Answer] That is a question that is difficult to answer fully, for the principles regarding the operations and lending of capital from the savings funds are based on the regular increases in the savings surplus. For example, in 1986 the savings surplus in the city increased by 496 million dong and the savings fund authorized the lending of 368.3 million dong. In fact, that source of capital has not satisfied the needs of the producers.

Therefore, in order to expand the scope of lending to meet the needs of people producing in accordance with Decision 34, the State Bank must have separate rules regarding loans to such people. If that responsibility is assigned to the savings fund (the lending of fixed capital, mobile capital, etc.), there must be more ample sources of capital, especially cash.

[Question] What will be the interest rate?

[Answer] The Municipal Socialist Savings Fund is temporarily applying the following interest rates on loans:

For agricultural production and animal husbandry: 6.6 to 8.4 percent per month, depending on whether the borrower is a private individual, a production team, a life enterprise, etc.

Small industry, handicrafts, and industrial production: 7.2 percent to 9.6 percent, depending on the category, as mentioned above.

[Question] Do people producing in accordance with Decision 34 receive a lower interest rate?

[Answer] If such categories produce products for export (with contracts for the delivery of goods), the interest rate is lower, at the same level as that of production cooperatives.

[Question] At present, which precinct is leading the way with regard to the number of people applying to open accounts in accordance with Decision 34?

[Answer] According to the newest statistics, the socialist savings fund of Binh Thanh Precinct has tens of account holders according to Decision 34, some of whom have deposited millions of dong. In practically all other precincts people have opened accounts in accordance with Decision 34.

5616

CSO: 4209/319

## TAX OFFICIAL EXPLAINS TAX ON INDIVIDUAL PRODUCERS

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 15 Jan 87 pp 1, 2

[Interview with Doan Dinh Chi, head of the Municipal Tax Office, by Le Tien Tuyen: "The Tax Policy Toward Individual and Family Producers"; date and place not specified]

[Text] Editor's Note: After the municipality promulgated Decision 34 (QD34), and increasingly larger number of families have registered to produce or participate in the secondary economy. A matter that has worried the people has been the tax policy toward them. A SAIGON GIAI PHONG reporter interviewed comrade Doan Dinh Chi, head of the Municipal Tax Office, on that matter. The contents of the interview follow:

Reporter: "Please tell us specifically how the tax policy will be applied toward each QD34 category."

Doan Dinh Chi: "Families which have secondary trades and the production of which is not specialized in nature, and do not normally produce large amounts, are exempted from all kinds of taxes.

Individual and family producers must:

Pay a license tax (a fee to engage in a trade).

Pay commercial income taxes or commodity taxes (if their products are subject to commodity taxes). Those two taxes have already been included in production costs when prices are approved, and thus do not affect the incomes of the producers.

With regard to income taxes, a tax that directly regulates the incomes of producers, those who have just registered to produce in accordance with QD34 are exempted from income taxes for from 6 months to 1 year, and may be considered for exemption for 2 years or more if they are still encountering difficulties in production or must receive appropriate incentives to produce goods which affect the national economy and require much investment with regard to capital and scientific-technical facilities. People and families already producing when they registered under QD34 are also eligible for an income tax exemption or reduction of 6 months to 1 year if they produce export



goods, invest additional capital, import equipment, invest in machinery to expand production, improve product quality, or change over to producing goods which greatly affect the national economy.

"Some producers are not at ease because in the past taxes were calculated and collected arbitrarily. How are you resolving that problem?"

"With regard to small producers who have a relatively stable production level, the tax sector applies the measure of fixed commercial income taxes and stabilized tax rates over periods of 3 to 6 months, without monthly adjustments or collections. (That collection mode is also applied toward small businessmen and small merchants). As for producers the production levels of whom fluctuate greatly and for whom it is difficult to stabilize the tax rate, since mid-1986 we have applied the method of collecting taxes every month on the basis of actual income during that month, without ad hoc tax collections and supplementary collections, as in the past, by guiding the ratio of income tax collections based on the nature of the activity of the commercial installations: entirely self-production and self-consumption, contract work for the state, both contract work and self-production, self-consumption. Every month producers, on the basis of the nature of their production or commercial activity, keep books on each type of commercial income so that the total can be multiplied by the corresponding guidance ratio and the amount of income tax that must be paid. Tax cadres and personnel, by means of specialized professional measures and on the basis of the accounting documents and books and the technical statistics, audit those types of commercial income.

However, that method is still in the experimental stage and cannot foresee all new developments in the actual situation and there may be inappropriate tax collection ratios, so we must continue to closely monitor the situation so that some ratios can be adjusted and made more appropriate.

"According to public opinion, some tax cadres and personnel are still undemocratic in their work and cause red tape or difficulties for producers, or accept bribes from the various tax collection categories. How do you evaluate that situation?"

"With regard to the work style and attitude of the cadres and personnel of the tax sector in places and at times, we have received many opinions contributed by taxpayers, as well as comments from the sectors and mass associations. We are applying many measures, such as education, continuous and regular inspections, the correction of distorted manifestations, and the disposition of serious violations. It is certain that with the oversight and constructive struggle of the people, the above manifestations will be gradually overcome."

5616

CSO: 4209/319

## TABLE OF CONTENTS OF DECEMBER PLANNING JOURNAL

Hanoi TAP CHI KE HOACH HOA in Vietnamese No 12, Dec 86 Back Cover

[Text] Requirements and Contents of Plans of Construction Enterprises p 1

Understanding the Basic Thoughts of the Direction and Principal Goals of  
Economic and Social Development in the 1986-1990 5-Year Period pp 5-9  
(Article by Ming Dung)

Some Experiences Regarding the Direct Assignment of Legal Plan Norms to the  
State Economic Installations pp 10-12  
(Article by Tran Tho Nghi)

A Method for Determining Capabilities for Receiving and Sending People Within  
a Province pp 13-15  
(Article by Vu Van Toan, Do Tien Dung, and Ngo Trong Nghia)

Some Opinions on Local Transportation Planning pp 16-18  
(Article by Phan Huu Thang)

Some Opinions on Building District Economic Structures By Means of Planning in  
the Mekong Delta Districts pp 19-21  
(Article by Ung Ngoc Minh)

Experiences Regarding Agricultural Production Planning in Tam Diep District  
pp 22-24  
(Article by Le Tung Son)

The Application of Computer Science to Local Planning p 25  
(Article by Pham Quyen and Le Xuan Lam)

Accomplishments in Agricultural Development in Laos pp 26-27  
(Article by Nguyen Quan)

1986 General Index of TAP CHI KE HOACH HOA pp 28-32

5616

CSO: 4209/329

## NATIONAL ASSEMBLY DELEGATE SPEAKS ON ECONOMIC MANAGEMENT

Hanoi NHAN DAN in Vietnamese 14 Jan 87 p 3

[Excerpt from speech by Tran Suyen, a National Assembly delegate from Phu Khanh Province: "On Economic Management"]

[Text] Management by the administrative echelons of the economic apparatus is not yet effective. They practice bureaucratic centralism but cannot grasp the objective conditions and relax matters that must be grasped, such as the lack of control in carrying out the major decisions of the party and state (such as providing guidance on implementing draft resolution 306).

I think that the implementation of the single commercial price system, price supplements to salaries, etc., are temporary measures that should not be prolonged. The reduction of that time depends on management of inflation control, management of the development of socialist production, and good management of socialist transformation. That management is very decisive politically, ideologically, and economically. Directive 100 of the Secretariat on the contracting out of agricultural production to groups and individual workers has achieved good results where management has been good, and both the production forces and production relations have advanced. In places where management has not been good, where the directive has not been understood, or where there has been deliberate misunderstanding in order to neglect management, there has occurred "blank check" contracting, which has created suspicion of Directive 100. With regard to the implementation of a single commercial price and advancement toward socialist economic and commercial accounting, it will also depend on management. The positive transformations and the good factors must be recapitulated and developed in a timely manner, and those who refused to work in accordance with draft resolution 306 must be promptly criticized and must mend their ways, so all-out attention must be paid to management.

Correct management will bolster the confidence of the people. For example, with regard to state purchase prices based on the spirit the resolution of the Sixth Party Congress, the Council of Ministers report on the direction of the 1987 plan states many times that true negotiated prices are in accord with the wishes of the people, but the financial report of the Ministry of Finance many times refers to irrational prices, which give rise to suspicion that

they are fair for the purchaser but may not be fair for the producer and seller.

I recommend that our state take up the matter of widely applying management to renovate the management of our country's social economy. To prolong the situation of manual accountants, cashiers, statisticians, and planners is to create opening for the occurrence of negative incidents in management.

In general, the Council of Ministers must take positive and practical steps to eliminate the bureaucratic-subsidy administrative system and implement socialist economic and commercial accounting. Specifically, in the immediate future it is necessary to implement the single commercial price system, hold down inflation, and effectively develop agricultural, small industry, and handicrafts production.

With regard to the economic structure and the investment structure, we approve of the concluding remarks of the Political Bureau regarding the economic viewpoint, "New construction in all sectors, especially in industry, will primarily be on a small medium scale, with appropriate technology, to ensure rapid construction and the prompt mobilization of each project item, with many real results."

The resolution of the Sixth Party Congress set forth for the 1986-1990 plan important target programs: food production, consumer goods, and export goods. The foremost measure in grain production is water conservancy. The foremost measures in the production of consumer and export goods are energy may be added that during the past 10 years we have been tardy in pursuing the matters electricity should keep one step ahead in order to serve the three important programs: "food production, essential consumer goods, and export goods." The concluding report of the Political Bureau stated that investment in the construction of new projects must first of all serve the agricultural front--such matters as water conservancy, fertilizer, etc.--and investment to create additional sources of energy. That is correct. Recently, because the problem was not approached in the right manner, although we had the capability to build many medium and small hydroelectricity and water conservancy projects their construction was usually entrusted to the people, with the state only providing assistance. Although the resolution dealt with the construction of small hydroelectricity and water conservancy projects, the construction rate was very slow. I recommend that there be a plan for electrification and irrigation by means of combining small and medium hydroelectricity and water conservancy projects, which must keep a step ahead of the three programs (food production, essential consumer goods, and export goods). That electrification plan also effectively serves the distribution of labor to the mountain region and meets the objective of stabilizing the economic-social situation and the lives of the people. As for the medium hydroelectricity projects, in order to build them in correct accordance with the conclusions of the Political Bureau regarding economic viewpoints, I recommend that the state be concerned with investing in the Song Hinh hydroelectricity project in Phu Khanh, the economic-technical justification of which has been approved, and the Vinh Son hydroelectricity project in Nghia Binh, the justification of which is being prepared, and recommend some central and local budgetary funds and materials be set aside for appropriate investment in the small and medium

hydroelectricity and water conservancy plan, while also mobilizing the labor of the people. That is an electrification and irrigation plan that is both feasible and effective, even under the conditions of a nation in the first phase of the period of transition, in order to create the premise for accelerating industrialization during the succeeding phase.

5616

CS0: 4209/292

## NATIONAL ASSEMBLY DELEGATE DISCUSSES SMALL INDUSTRY-HANDICRAFTS

Hanoi NHAN DAN in Vietnamese 14 Jan 87 p 3

[Excerpts from speech by Nguyen Kim, a National Assembly Delegate from Hanoi: "Small Industry and Handicrafts Do a Good Job of Carrying Out the Three Major Economic Programs"]

[Text] In order to contribute to the victorious implementation of the three major economic programs for 1987 set forth by the Council of Ministers, on behalf of the small industry and handicrafts workers I would like to recommend the following:

1. Eliminating discrimination in the treatment of state corporations and small industry and handicrafts cooperatives, especially with regard to prices, capital investment, cash, the issuing of materials and raw materials, etc.
2. Reducing the number of unnecessary intermediate layers. In the present structure, in passing from the place of production to the consumer, a finished product must pass through four of five commercial management layers. For example, a product is completed and delivered to the corporation, then the Corporation Federation and the General Corporation, before reaching the organs selling retail to the consumers.

As a result, consumers must purchase the goods at very high prices, while the producers receive excessively low prices.

In the three major economic programs, the production labor of small industry and handicrafts participate and make contributions.

The small industry and handicrafts sector will produce to serve agriculture such products as sickles, reaping hooks, improved carts, foot-operated rice husking machines, and pesticide sprays; produce consumer goods, such as sandals, clogs, ready-made clothing, textiles, hats, satchels, bicycle parts, etc.; and produce many other kinds of artistic handicraft goods, such as sculptures, lacquerware, embroidery, rugs, porcelain and pottery, and rattan and bamboo items. Therefore, we recommend that the Council of Ministers will promulgate at an early date a policy regarding skilled artisans and craftsmen in the unique traditional trades, so they can devote all their talent to creating new designs and models with high artistic merit, pass on their skills

to the younger generation, and contribute to enabling export goods to become increasingly rich.

Without the close concern of the Council of Ministers, the traditional trades of Vietnam may fade away, which would be very regrettable. We all know that in our country's unique traditional trades there are very few artisans.

I recommend that the Council of Ministers monitor and have a plan for overseeing the foreign trade sector with regard to ratio of foreign exchange bonuses for export goods producers in accordance with the Council of Ministers directive that has been promulgated, and mold the lower-echelon organs so that they can encourage and stimulate the production workers.

In the 1987 economic development mission, which has received the attention of the Council of Ministers, we would like to direct attention to small industry and handicrafts labor in agriculture.

Furthermore, there are still young people who complete elementary school but cannot attend secondary school; and students who fail college entrance examinations, and do not have jobs when they return to the cooperatives. If handicraft trades are not organized in agriculture, such workers will buy and sell or engage in illegal activities.

In order to fulfill well the task of providing jobs for surplus agricultural workers, we recommend that the Council of Ministers make stipulations for that sector regarding the harmonization of prices with the price of grain. The policy regarding distribution among handicraft workers in agriculture is a problem in some agricultural cooperatives.

5616

CSO: 4209/292

## NATIONAL ASSEMBLY DELEGATE SPEAKS ON COFFEE EXPORTS

Hanoi NHAN DAN in Vietnamese 14 Jan 87 p 3

[Excerpts from speech by Doan Trieu Nhan, a National Assembly Delegate from Dac Lac Province: "The Coffee Sector Carries Out the Export Goods Program"]

[Text] In order to attain the goals that have been set, and make a modest contribution to carrying out the three national economic programs, the coffee sector must receive more adequate attention, and there are many problems that must be studied and resolved:

1. Determining the coffee cultivation areas on the basis of very good basic surveys, and ensuring that planning is in order to rationally and effectively exploit the nation's potential.

I would like to add that in the specialized coffee-growing areas it is also necessary to fully understand the principle of the combined use of land and the all-round development of agriculture, and it is also necessary to fully exploit land that can be used to grow grain, in order to contribute to carrying out the first program: food production.

2. In order to fully exploit the potential of land, labor, and investment capital we cannot only develop coffee, whether in the state economic sector in particular or in the socialist economic sector in general.

Experiences over a period of many years show that capital for investment in the state economic installations to develop coffee, and to develop agriculture in general, is very necessary but is rather costly. We invest not only in developing production and building the infrastructure, but also use a considerable amount of capital to invest to meet other social needs for which the state farms are responsible. Therefore, under the conditions of capabilities to invest by means of concentrated state capital still being limited, we must develop and use the people's surplus capital and labor. In many places, such as Drong Buk and Dac Klin districts in Dac Lac Province, or in Di Linh and Bao Loc districts in Lam Dong Province, coffee has been developed rather well in the cooperatives and production collectives. However, the cooperative and production collectives have experienced difficulties in recruiting labor. In many coffee areas, the development of coffee in the family economic sector by cadres, workers, and cooperative



members plays an important role. The actual situation has shown that many family coffee plots have developed very well and have quickly produced harvests, provided high yields, developed healthily, and clearly increased the incomes of workers, while also contributing a considerable quantity of coffee for export. (According to the results of a survey of world coffee cultivation by the Food and Agriculture Organization (FAO) of the United Nations, coffee-growing has improved the living conditions of millions of families, especially in Africa, and has brought about greater effectiveness than any other occupation).

If that is to be accomplished, the promulgation of a coffee development policy in the individual economic sector is very necessary. Recently the Ministry of Agriculture submitted to the Council of Ministers a draft policy to encourage the development of coffee growing, but it has not yet been approved so that it can be promulgated. In the policy to encourage the production of coffee in that people's sector, attention must be paid to the use of land, lending land for producing coffee, determining the area of land and the time it can be borrowed, the hiring of workers to carry out production, state investment, the obligation of selling products to the state.

The policy to encourage the development of coffee in the people's sector encourages the development of the family sector in a specific sphere.

3. Investment in the coffee sector. After making specific and accurate calculations of the economic effectiveness of coffee, it must be regarded as a primary export with a high export index, there must be conditions for production to develop, and must have a stable market. We must have a plan for comprehensive investment in coffee.

First of all, it is necessary to set aside some domestic capital to serve as a basis for obtaining foreign investment. Experience in recent years has shown that investment by the fraternal socialist countries in accordance with cooperative coffee production agreements has had a great effect in promoting the rapid, strong, and stable development of the coffee sector. Even in the people's sector, coffee growing requires such equipment and materials as small tractors, water pumps, insecticide pumps, fertilizer, fuel, etc. It is possible to, by means of cooperation with foreign countries, set up a fund of equipment and materials to serve that sector. We would thereby increase concentrated capital accumulation by the state, obtain investment capital from foreign countries, and recruit workers who could bring in capital for production. That is the best way to concentrate investment in a production sector at a time when the state's investment capability is still limited. Of course, the use of foreign investment capital must be carefully balanced with a spirit of complete economy, and the obligations of the borrower must be honored.

In addition to borrowing foreign capital, utilizing the people's surplus capital also has an important significance. In order to mobilize that capability, there must be specific viewpoints and policies which are correct and appropriate to the spirit of combining utilization and socialist transformation.

The report of the Council of Ministers on the 1987 economic-social development plan stated that "With regard to long-term industrial crops, because of the great need for investment, and under the conditions of for investment, and under the conditions of limited capital and materials, the installations must concentrate on using capital and labor to intensively cultivate and develop well the existing industrial crop areas, and ensure that rubber output increases 7.7 percent, that coffee output increases 70 percent, and that tea increases 14 percent, over 1986."

We feel that with regard to coffee, that guidance thought is insufficient. Coffee is a long term industrial crop that provides products with high export value. It must be added that although coffee is a long-term industrial crop it is capable of producing within a short period of time and permits the rapid recovery of capital. It may be termed a short-term crop among the long-term crops.

We can thereby rapidly increase exports within a short period of time, so we should invest in coffee in the next few years in order to both ensure the intensive cultivation and good development of the existing industrial crop areas and ensure the rapid expansion of area to quickly increase the commercial coffee area.

All-round, concentrated investment in the material-technical bases and the renovation of the management mechanism are two extremely important factors in expanding the coffee sector.

4. Building an economic-technical sector with regard to coffee that is entirely self-contained, including production, processing, purchasing, and exporting on a national scale, one that is sufficiently strong to exploit all latent capabilities of the nation and effectively use international assistance to struggle develop production in all regards.

Self-contained organization is necessary because we cannot arbitrarily divide the phases of the production process, which leads to unnecessary contradictions because of unsatisfactory distribution. "Unified on a national scale" in this instance does not mean eliminating the situation of some enterprises in the sector being directly managed by the central echelon while others are directly managed by the localities. The organization of the production units into a single sector is intended only to create common plan coordination in the sector, with a rational division of labor, to both bring into play the strength of each locality and basic unit, and bring into play the combined strength of the sector as a whole.

5. As in the case of the other production sectors, in the developmental process the coffee sector also has urgent requirements which demand the renovation of the management mechanism, in order to both ensure the autonomy of the basic units and restore order and discipline in economic activities. The renovations in planning and the price, salaries, finance, monetary, and other policies are certain to create strong development in the coffee sector.

Furthermore, we also must resolve more specifically the relationships between the central echelon on the one hand and the localities, sectors, and

territorial units on the other hand. That is a major, complicated matter which we must examine and specifically resolve. We cannot stop at vague, abstract concepts, for in the final analysis they are only relationships regarding distribution, relationships regarding distribution, relationships between obligations and rights.

5616

CSO: 4209/292

## PORT OF DA NANG SAID TO IMPROVE OPERATIONS

Hanoi NHAN DAN in Vietnamese 3 Feb 87 p 3

[Article by Dang Minh Phuong: "The Port of Da Nang After the Party Congress"]

[Text] At the beginning of 1987 the Port of Da Nang received warm praise from the captains of foreign ships visiting the port. The cadres and workers at the port achieved outstanding accomplishments in the emulation campaign celebrating the success of the Sixth Party Congress, the fulfillment of the January 1987 plan, and the attainment of high levels with regard to productivity, the volume of cargo handled, and many other plan norms. All 21 domestic and foreign ships arriving at the port were loaded or unloaded rapidly, correctly, and within the required time. That was one of the months in which the port was praised by many ship captains and was not penalized in any way.

The accomplishments of the first month of 1987 further consolidated the victory of 1986, a year in which the port made outstanding efforts and attained a high level of cargo handling, with a volume of more than 640,000 tons, nearly double the year with the smallest amount. Despite old equipment and an unchanged number of workers, the Port of Da Nang leads the way in the nationwide emulation movement among ports.

The arrangement of organization, the improvement of management, the reduction of intermediate layers, and giving the basic units the right to take the initiative in production last year brought about good results.

Commemorating the 57th anniversary of the founding of the party, the cadres and workers at the port expressed determination to do a good job of fulfilling the new missions set forth by the Party Congress.

The port affirmed its important mission as an important transportation hub which receives materials and goods from abroad and ships them out from our country. It plays a very great role in contributing to the victorious carrying out of the three major economic programs this year throughout the nation, especially in the provinces of central Vietnam and the Central Highlands.

Having gained experience in 1986, the port is continuing to create conditions for the enterprises directly under its control to bring into play their right to take the initiative in their work. The port director has assigned to each enterprise the task of drafting a plan and taking steps to implement it. All enterprises under its control have the right to hire workers for certain periods or certain tasks, and to hire equipment in order to, by the most appropriate means, quickly unload the ships entering the port, expanding secondary production, and accepting additional work in order to fully utilize equipment and labor, produce additional products, and increase income. After fulfilling the planning missions assigned them, the enterprises may take on contract work for outside parties. The port created conditions for the construction enterprise to obtain additional materials with which to build and repair housing for the workers. The port tried out on a trial basis allowing directly dependent enterprises to open commercial accounts. On the basis of planned salary levels, the port assigned salary funds to the enterprises so that they could use them as they saw fit. The enterprise directors have the right to give bonuses and quickly add labor in order to stimulate production. Last year, because it took the initiative in commercial dealings with ships' captains, the port obtained a number of necessary facilities it could not purchase on the outside, and at less cost, such as a 50-ton tractor, a 25-ton fork-lift, etc., which contributed importantly to the rapid unloading of ships. Those experiences are being summarized and more strongly developed.

For many consecutive years the port's party organization has been recognized as being a strong party organization. The party committee has stressed the building of an increasingly strong party organization. The recent congress of the port's party organization took a step toward renovation in electing a new party committee which included many youths, four of whom were workers engaged directly in production.

All members of the standing committee have graduated from specialized colleges and some have completed the high-level political theory curriculum.

The political and educational levels of the cadres and party members have been raised according to plan. The port director must have a specialized college degree, graduate from an economic management college, or complete a high-level political theory curriculum. The office heads must have specialized college, mid-level political, or mid-level economic management degrees, etc. The port arranges for cadres to study and appropriately rewards those who do well in their study. They receive the same bonuses as when they are working.

To celebrate this year's anniversary of the founding of the party, the port's party committee is launching a political activity campaign to improve the leadership ability and combativeness of the party organization, has drafted an action program between now and 19 May 1987 to carry out a number of specific tasks to educate party members and improve their quality. The party committee and the director are cooperating in considering and resolving all problems brought up by party member and the masses with regard to the work style and moral quality of cadres, the admission of new party members, the rewarding of exemplary party members, etc.

Many urgent preparatory tasks for the victorious fulfillment of the missions assigned by the Party Central Committee for 1987 are being carried out at the port, beginning with the emulation accomplishments to celebrate the founding of the party.

5616

CS0: 4209/343

## HANOI SMALL INDUSTRY SECTOR SEEKS PRODUCTION MATERIALS

Hanoi NHAN DAN in Vietnamese 3 Feb 87 pp 1, 2

[Article: "Hanoi Small Industry-Handicrafts Sector Provides 45 Percent of Its Materials and Raw Materials, Employs 10,000 Additional Workers"]

[Text] Last year the Hanoi municipal small industry-handicrafts sector provided more than 40 percent of its materials, obtained 15,650 tons of metal of all kinds, and fully utilized plastic, rubber, paper, broken glass, cotton yarn, bamboo, corn husks, etc., to produce a volume of goods equal to nearly half the value of the sector's total output.

In order to contribute to serving the three major economic programs set forth by the Sixth Party Congress, this year Hanoi's small industry-handicrafts sector will strive to produce a volume of consumer goods 14.5 percent greater than last year. The textile sector is positively changing its looms in order to produce 10 million meters of wide-gauge cloth, 13.5 million meters of mosquito netting, and 2.9 million meters of industrial cloth. It will serve the need for ready-made clothing for domestic consumption and export by producing 15 million meters of cloth a year. The sector will improve painting, plating, and heat-treating techniques and produce 1,000 tons of bicycle spare parts that meet the specified quality standards. The capacities of pottery kilns and on-the-spot raw materials will be used to produce 20 million pieces of porcelain and pottery to improve the quality of glass and develop consumer metal products, plastic goods, aluminum goods, rain-proof sheeting, pseudo-leather cloth, etc. The sector will meet the needs of food processing and the people's daily meals. The agricultural machinery cooperatives will produce 53,000 plows, harrows, and improved carts, and 6,000 rice husking machines, and increase of 39 percent over last year. With regard to exports, the sector will restore and develop such artistic handicrafts as lacquerware, porcelain and pottery, silver-plated carvings, wooden sculptures, etc. It will improve techniques and equipment and train workers to develop traditional artistic goods and produce new export goods, such as basketball shoes, palm-leaf blinds, and toilet paper. This year the sector will set up tailoring cooperative federation to serve the program to produce export goods for the Soviet Union on a contract basis.

Hanoi's small industry-handicrafts sector will expand joint operations and alliances, exploit materials, organize the collection and exchange of scrap

materials, and meet 45 percent of its production needs. The districts outside the city will do a good job of using local raw materials, and encourage the growing of jute, reeds, rattan, and bead trees to produce consumer goods. The handicraft materials corporations and stations will abandon troublesome procedures and send materials directly to the production installations. It will promote the movement to develop initiatives, improve techniques, increase labor productivity, improve products quality, develop new products, and employ 10,000 additional workers in the collective and family production installations.

5616

CSO: 5616/343



## VANG DANH COAL MINE PRODUCES NEARLY 2,000 TONS PER DAY

Hanoi NHAN DAN in Vietnamese 3 Feb 87 p 1

[Article: "Vang Danh Coal Mine of the Uong Bi Coal Corporation Produces Nearly 2,000 Tons a Day"]

[Text] Achieving accomplishments to commemorate the 57th anniversary of the founding of the party (3 February), the Vang Danh coal mine of the Uong Bi Coal Corporation) has done a good job of preparing for production during the first quarter, maintained the coal production rate of the fourth quarter of 1986, and continually attained an output of more than 2,000 tons a day, 30 percent more than during the same period last year.

From the first days of January the mine mobilized sufficient labor and equipment to ensure uninterrupted production lines at the work faces. During the fourth quarter of 1986 the Vang Danh mine signed economic contracts with the units supplying such materials as mine support timber and the various kinds of equipment, to meet the needs of production in a timely manner. The mine has done a good job of using a project in which it invested in 1986--a storage yard for newly mined coal with a larger capacity--in order to rapidly liberate the coal cars, reduce the turn-around time of facilities, and create conditions for the coal grading operation to operate normally, without causing bottlenecks, as in the past. At the same time, it paid attention to repairing equipment, such as improving and completing the underground pumping system, replacing graders numbers 64 and 79, and applying technical advances to the overhead protection system by means of steel nets, which reduced coal wastage by more than 8 percent and saved 14 cubic meters of wood per 1,000 tons of coal mined. The mine is taking the initiative in maintaining the regular operation of mine work faces.

5616

CSO: 4209/343

## DEVELOPMENT OF EDUCATION IN ETHNIC MINORITY AREAS URGED

Hanoi NHAN DAN in Vietnamese 26 Jan 87 p 2

[Article by Trinh Van Ngan: "Develop Education in the Ethnic Minority Areas"]

[Text] In recent years important accomplishments have been achieved in developing education in the ethnic minority areas, which contributed positively to training ethnic minority cadres and further raising the cultural level of the ethnic minority people.

But at present, education in those areas is still developing slowly in comparison to the nation as a whole and to the requirements of building socialism and consolidating national defense. Education in those areas, especially in the high-altitude, remote areas, is encountering difficulties.

Of the school-age children, an excessively small number, only 30 to 40 percent, attend school. The number of drop-outs is very large, and most of the children complete only the second or third grade. The results of study in schools in the ethnic minority areas are still insufficient and many students must repeat a grade. There are still many illiterates among the working people. Even some of the basic-level cadres are still illiterate.

The above situation has caused the gap between the cultural levels of the mountain region and the lowland region, between the high-altitude areas and the low-level areas, and among the ethnic minority people to become increasingly wide. The reasons for that situation are that the living conditions of the ethnic minority people are still difficult and there is no tradition of attending school. The organization of schools is not yet appropriate to the distribution of population and is not yet convenient for children attending school. The educational contents and curricula are still demanding and ponderous, and are not yet appropriate to the actual lives of the ethnic minority people. There is still a shortage of teachers, especially in the high-altitude areas, and their levels are low and unstable. The regulations and policies toward teachers and students are not yet suitable and have not mobilized the teachers to serve contentedly or the students to endure hardships in order to get an education. The schools, furniture, textbooks, and teaching and study facilities are still poor and in short supply.

The political report of the Sixth Party Congress stressed the mission of "promoting education in the mountain region." That is an important undertaking which contributes positively to furthering the three revolutions in the ethnic minority areas, gradually carrying out the party's ethnic equality policy, and developing the ethnic minority areas into strong areas for the great undertaking of defending the fatherland. We recommend that the party and state manifest concern for education in the ethnic minority areas by means of special stands and policies toward education in those areas. The state has a special investment policy to develop education in the ethnic minority areas, which gives priority to the high-altitude, border, and distant, remote areas. In addition to investing in developing the new economic zones and the fixed-cultivation, fixed-habitation work, some investment must be set aside for developing education. Only thereby can we enable education to keep a step ahead in order to fulfill the mission of training ethnic minority cadres, raise the cultural level of the working people, and transform the schools into cultural and scientific-technical centers in the ethnic minority areas. We must carry out the policy of using the ethnic minority spoken and written languages as well as the national language.

With regard to the ethnic minority children in the high-altitude, remote areas where too few people attend school, the state must organize boarding schools to attract some of the children to study at the expense of the state, so that they can complete elementary school and secondary school and then enter colleges, advanced schools, and specialized middle schools to become ethnic minority cadres and intellectuals. They are leading-edge schools which must receive priority and be capable of taking good care of the students and giving them a good education. As for the majority of the children in areas experiencing many difficulties, there must be a separate condensed, simple, and practical curriculum first level. That curriculum must be structured in such a way so that even if pupils only complete the third grade not return to illiteracy. Schools must be organized in all population centers and teachers must be sent to the hamlets to facilitate the pupils' education. In places with too few pupils, a teacher may combine two classes.

The key cadres and outstanding youths in the villages must be sent to study at district and provincial concentrated cultural supplementation schools so that they can complete the first and second levels. Those schools must also have scholarships to support them. The schools must be equipped with material-technical facilities to ensure high-quality education.

Furthermore, we must promote the training of ethnic minority and local teachers by means of an improved curriculum that is appropriate to the educational mission in the ethnic minority areas.

Because there is still a shortage of teachers in the high-altitude and remote areas, the lowland areas must be obliged to help the mountain region and the low-altitude areas must be obliged to help the high-altitude areas to meet the requirements of developing education.

The state should have appropriate policies and regulations to give priority treatment to cadres and teachers working in the mountain region, especially in the remote high-altitude and border areas.

We should have a system to supply sufficient textbooks and study materials for students in areas experiencing difficulties (which the students do not have to purchase). Schools in the mountain region must be as well equipped as the advanced schools in the lowlands (essentially by means of investment by the state.)

5616

CSO: 4209/342

## HA NA NAM SETTLERS GO TO NEW ECONOMIC ZONES

Hanoi NHAN DAN in Vietnamese 27 Jan 87 pp 1, 4

[Article: "Ha Nam Ninh: More Than 11,500 Workers Go To Develop the New Economic Zones"]

[Text] Ha Nam Ninh has taken the initiative in creating all favorable conditions for the people going to develop new economic zones. In addition to the quantity of grain stipulated by the state, the province has used local funds to give 1,000 dong to each household going to develop new economic zones outside the province. The families of cadres who volunteer to go to the new economic zones receive allowances amounting to 2 years' salary. Cadres employed by the state who are sent to survey, plan, and build material bases in the new economic zones outside the province for periods of from 1 to 5 years receive an allowance equal to their basic salary. The commercial and public health sectors have set up commodity and medicine funds for the new economic zones.

During the past year, Ha Nam Ninh sent more than 23,000 people (including 11,562 workers) to develop the new economic zones inside and outside the province. Because the districts of Xuan Thuy, Gia Vien, Thanh Liem, Hai Hau, and Y Yen did a good job of applying the material benefit measures, the number of people going to build a new life was higher than expected. With regard to zones in the province, the people were sent only after the provinces and cooperatives completed the construction of basic facilities. In 1986, in the new economic zones in the province 1.2 million cubic meters of earth were excavated for water conservancy projects, 1,300 square meters of schools, public health clinics, etc., were constructed, and 490 hectares of land were cleared and brought into production.

5616

CSO: 4209/342

## EXAMPLES OF UNFAIRNESS IN POLICIES, DISTRIBUTION PRACTICES

Hanoi QUAN DOI NHAN DAN in Vietnamese 10 Jan 87 pp 1, 4

[The Saturday Forum column by Khanh Van: "Social Fairness"]

[Text] The Political Report at the 6th Congress mentioned the need to guarantee social fairness.

There must be social fairness in terms of what the citizen receives and in terms of the fulfillment of obligations by the citizen. Here, we will only address the issue with which more persons are concerned, namely, social fairness from the standpoint of what one receives.

The social fairness being addressed here is not a matter of all wealth being equally distributed among everyone, but a matter of guaranteeing that every member of society receives what he is due on the basis of the results of his labor and his contributions.

Such is the principle. In practice, however, injustice still occurs in society. That is to say, there are still many persons who do little but receive much, who receive much more than they contribute to society. Conversely, there are persons who do not receive as much as they contribute.

To begin with, we must talk about persons who earn their living dishonestly. These are persons who take in very large amounts of money but contribute nothing and also cause incalculable harm to the circulation and distribution system. These persons who have become wealthy by dishonest means squander their wealth and eat meals costing thousands of dong at a time when the laborer must worry about where he is to get each handful of vegetables and spoonful of fish sauce. These persons are hiding everywhere, even, of course, within state agencies. But exposing them is not easy. There are some among these persons who engage in trade openly. But when we raised taxes to regulate their income, the opposite occurred: they raised their prices and the laborer became the one whose income is being regulated. This is not to mention the fact that when some tax affairs cadres tolerate, protect and are lenient toward persons who earn their livings illegally, social injustices surely increase.

Of course, social justice cannot be established by appealing for enlightenment on the part of these persons. It can only be established by means of economic policies and measures that comply with economic laws, by means of providing stronger socio-economic management and by means of thorough control work and inspections, including control work, inspections and denunciations by the masses. Only in these ways is it possible to bring these persons into the orb of earning their livings honestly and receiving only what is legitimately due to them.

Another major obstacle to social fairness is the burgeoning growth of separate funds and separate warehouses of agencies, units or localities, which have led to distributions of goods, money and property.

For example, a lightbulb factory distributes to each of its workers 1 dozen lightbulbs each month. A tobacco processing plant distributes 1 kilogram of loose tobacco to each worker each month. An inner tube and tire factory distributes 1 set of bicycle tires to each worker once each quarter. Warehouses use goods called "substandard" to distribute to their workers and so forth. The thinking in these cases is "to profit from one's occupation." The amount of social wealth distributed outside regulations by these methods is not small. This is not to mention the fact that within each enterprise and unit, the director, the manager and the trade union chapter are "taken care of" much better and "not a week goes by without tears being shed."

Of course, at a time when wages are very low, improving the welfare of manual workers and civil servants by a small amount by distributing them money or a number of goods is acceptable on a temporary basis. However, we cannot permit persons to do as they please or, in particular, to incorporate "plan three" in the main plan and then make distributions to one another with no regard for the demands of social fairness.

Another point that must be closely examined is: do the regulations governing supply and distribution operations and particularly the implementation of these regulations comply with the principles of social fairness?

At present, with manual workers, civil servants and cadres living not mainly on their wages, but on the distribution of material resources, more than a few inequities exist from the standpoint of social fairness. Consider the following few examples:

At a time when many persons must collect scraps of oil paper, matting and wood to make a cupboard or other furniture, some persons are distributed many tables, chairs, beds and cupboards on many different occasions. They receive them once from their agency or unit and, shortly thereafter, move to another place and receive them again. Some persons have done this as many as three times. This is not to mention the practices of "loaning" or leasing expensive, high grade products to persons who are not eligible under these policies and who otherwise would not be able to obtain them in their lifetime, only dream about them.

Many ordinary cadres who want to buy a pack of cigarettes must first check to make sure that they have enough money. But there are some cadres in charge

who have a pack of filter cigarettes and a package of tea placed on their desk each day in keeping with what is called a "long-standing practice."

Everyone knows that our people, particularly in the large cities, live in crowded conditions. Sometimes, a family of four or five persons live in less than 10 square meters. Meanwhile, there are other persons whose living space far exceeds the standard, who live not in 5 or 7 square meters, but in dozens or a hundred square meters, or even in a spacious villa. Sometimes they are even given, all in accordance with "policy," two or three apartments in two or three major cities.

Should we not give attention to the matter of social fairness from the very time that policies on distribution are being formulated and inspect the implementation of these policies?

I feel that setting good examples for society should begin within the state apparatus. For example, a chief might examine certain distribution policies on his own, see that they contain inequities and not allow them to be implemented. And, the first thing this person should do is to think about whether or not he himself should take what is being distributed to him. Appealing to everyone to be honest only produces results when someone has the courage to refuse to accept items that lie outside the standards that apply to everyone else. This would surely compel policy makers, in the face of the good example set by the upper level, to re-examine the policies they have issued for things that are contrary to the principle of social fairness. Then, all those persons who seek to use "sharing the wealth" as a way to receive more than everyone else would surely no longer be able to continue to do what they are doing.

Social fairness is also a force stimulating the development of production and society. This is an important issue, one that must be widely discussed. I have only dared to broach the subject with these few thoughts and think that the genuine happiness of responsible cadres lies in insuring true fairness for society. Strong confidence will only be felt by each laborer as well as each citizen when everyone feels that they are living in a society that is truly fair.

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## TOUGH MEASURES URGED TO CURB ALCOHOL CONSUMPTION

Hanoi QUAN DOI NHAN DAN in Vietnamese 17 Jan 87 pp 1, 4

[The Saturday Forum column by Tuan Minh: "Fermenting Agents Rise as Spring Approaches"]

[Text] Prohibiting the consumption of liquor was once a rather intense campaign in many localities, agencies and units. Everyone recognizes the economic, cultural and health benefits from prohibiting the consumption of liquor. Many rather high targets were set: completely prohibiting the consumption of liquor at all times and places by everyone, including at collective banquets and on special family occasions. In an even more ambitious effort, some places even prohibited the consumption of beer.

Within some units of our army, there was once the thinking that the prohibition against drinking set forth in army orders, namely, no drinking during everyday activities or while on duty and being allowed to drink only on holidays and during Tet but not to the point of becoming intoxicated, is too lenient.

Actually, quitting drinking altogether is best. However, appeals and orders have not made any difference. Generally speaking, persons continue to do what they want to do.

A cadre once ironically said: at my agency, we have issued more appeals and orders against drinking than perhaps anywhere else. But drinking today is widespread. We have been very fortunate to have been able to maintain the ban against drinking at public banquets. But even at such happy gatherings, it is still necessary to show everyone that the ban remains in effect.

If a journalist were to go to the effort to conduct an investigation into the results of prohibiting the consumption of liquor, the matters and figures presented would certainly command everyone's attention.

To begin with, something must be said about persons who drink. If their numbers have declined, it is only because some persons have had to quit drinking because they have become ill or cannot afford it. At many places in many areas, particularly in rural lowland areas, the rate of alcohol consumption has not declined at all. And, among youths, even within some

troop units, many still consider drinking to be a pleasurable pastime, even a different contemporary lifestyle.

More bars and liquor stands, either public or disguised as tea stands, are springing up with each passing day, so many that accurate statistics on their number are difficult to compile.

The opinion probably still exists that as long as there are persons who make and sell liquor, there will be persons who drink. And, the persons who make and sell liquor are certain that because there are persons who drink, it is unavoidable that other persons will make and sell liquor. It is truly a case of which came first, the chicken or the egg!

Thus, prohibiting the consumption of liquor is still an issue that lies both within and outside the scope of the law. Liquor is made by state-operated enterprises, by both the central and local levels, by cooperatives and by production cooperation teams in villages, subwards, precincts and districts. And, of course, there are countless stills at households, including households of party committee members and party members, scattered everywhere from the lowlands to the mountains. It can be said that it is rare to find a locality which does not have a still operating in the name of producing liquor for household uses or for weddings, holidays or Tet.

Some provinces have been increasing their grain output by several tens of thousands of tons each year. This is gratifying. But we forget that an equal amount of grain is thrown into stills each year. Wherever there might be a prohibition against drinking hard liquor, it is not at all difficult to invent various types of "medicinal liquor," "beer" and, in an attempt to give the impression of being light and more lawful, even "fermented beverages"! Such names are pleasing to the ear but the alcohol content of these beverages is surely not much different.

Thus, as Tet approaches and spring arrives and with "January being the month to have a good time," liquor is becoming the problem most deserving of concern.

While we certainly cannot ignore agitation and education beginning at each basic unit, within each army unit and within each locality with the aim of curbing the production, sale and consumption of liquor, it is more important to conduct inspections and be determined to enforce the law regarding the production and sale of liquor, which now is seemingly being ignored. An alarm should be sounded concerning the liquor market. Attention should be given to restoring order and discipline in this field, too. And, we must begin on the basic level, begin with families, with each individual, with the ultimate question to be considered being the example set by cadres, party members and personnel of the state. As long as some degree of social drinking is considered a part of life, it is difficult to talk about getting rid of liquor. However, it cannot be allowed to become excessive drinking, become drunkenness, that is, to become a social ill. Of course, Vietnam is not yet "ranked" among the countries that consume the most liquor, but this does not mean that liquor consumption is not a major concern of ours. So, the time-honored lesson still applies: the measures we take must be 10 times stronger than our determination. As long as we "leave things unfinished," we cannot avoid "going around in circles."

VIOLATIONS OF REGULATIONS, POLICIES TOWARD WORKERS REVEALED

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 15 Jan 87 p 1

[Article by "D.C.": "Inspection Activities of the Municipal Trade Union Federation in 1986 Show That Many Installations Violate Regulations and Policies Toward Workers and Civil Servants"]

[Text] In 1986 the Inspection Section of the Municipal Trade Union Federation coordinated with the inspection and labor sectors in definitively resolving 75 complaints from workers and civil servants in the production, commercial, public health, education, and other installations which requested a review of dismissals from work, the annulment of labor contracts, ending or moving work, etc. Of those incidents, 60 involved people with authority at the basic level who deliberately violated or incorrectly applied the policies and regulations regarding workers and civil servants. As a result, because of the intervention of the Inspection Section, there were dozens of instances of people being rehired, having their punishment reduced, being assigned other work, or being allowed to resign in accordance with regulations stipulated by the state.

In 1986 the total number of complaints sent to the Municipal Trade Union Federation increased by 20 percent over the previous year. Complaints about labor accounted for nearly 50 percent, and many of the complaints passed through two or three echelons. That proves that the activities of many trade union organizations at the basic level and at echelons above the basic level are not yet communist schools and sources of support for the workers and civil servants can exercise their collective mastership right. That is a weakness in the trade union work which must be overcome in 1987.

5616

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## SAIGON GIAI PHONG EDITOR COMMENTS ON RENOVATION

Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 1 Jan 87 pp 1, 2

[Editor's Letter: "When Renovation Is Synonymous With Revolution"]

[Text] Six months ago, on the occasion of the 61st anniversary of Vietnam Press Day (21 June), the editorial board published a critical article in this newspaper. The article was in true nature a long standing issue, which for the first time was covered by the press, regarding the sense of responsibility and professional honesty of the people entrusted with the management of a mass information organ.

That self-criticism article, along with several changes by the newspaper, quickly won the acceptance and sympathy of the great majority of readers in the city, readers in many parts of the nation, and some Vietnamese readers abroad. After the very timely and decisive "green light" given by the Standing Committee of the Municipal Party Committee, we received inspiration from another source: the readers. Among the many sent to the newspaper, we read very sincere words of praise and encouragement from the readers. We are extremely grateful for your encouragement. But we would also like to say to you that the success of the newspaper cannot be separated from the guidance and sympathy of the city's leadership cadres, and the inspiration and very practical contributions of the readers.

During the past half-year, there were many revolutionary changes in the world and in our country, among which the one most strongly affecting public opinion is the factor of renovation. The Sixth Party Congress was historically significant in that regard. Life, like a whirlpool, has confronted us with two clear choices: "Change or die." No one can stand on the sidelines of that inevitable tendency of the epoch.

As far as we are concerned, that burning slogan of a militant nature is regarded as an order to attack, to attack those things, the remaining vestiges of the bureaucratic way of putting out a newspaper, with its special characteristics of turning our backs on the masses, and covering our ears and eyes to write articles, regardless of the true social situation, and without having to know what their results are. The frightful "death" of a bureaucratic newspaper is when the masses do not recognize it and regard it as having been buried in social life.

Renovation is synonymous with revolution. Revolution never takes a day off, and never rests for a minute. Life does not allow us to put off until tomorrow what we can do today, even if only a little bit. This new year's issue continues the process of renovation along the line of our self-criticism.

It would be very subjective--subjective to the point of pedestrianizing the concept of renovation--if we left self-satisfied or dared to think that an all-out effort regarding the present contents and forms could satisfy all requirements of the readers. More than anyone, we understand very clearly that what we can accomplish will still not be up to what our party--in the major changes along the lines of renovation beginning with the Sixth Party Congress-- is opening up for the press.

Following on the great efforts of the past year, the hope that with a number of small improvements in the newspaper with regard to information, commentary, dialogues, criticism and self-criticism, etc., the newspaper will introduce changes, especially changes in thought, to reflect the picture of the variegated creative labor of the people. At the same time, by that means we will contribute to the struggle to eliminate the bad and foster the good, in order to make social life more wholesome and contribute to participating in the process of democratizing social life. That is an important task responsibility for which the party has entrusted to the press, in which the people have entrusted their confidence.

In each step taken in seeking the new, it is certain that we have only good points and success. The readers, as well as the party committee echelons, will note what we are able to do and do correctly, and point out the deficiencies and even the mistakes.

Renovation is synonymous with revolution. But revolution must inevitably eliminate the old and come into conflict with conservatism and inertia. At least, it will have to challenge ways of thinking and ways of working that are too habitual and rigid, with have no relationship whatever to life. Renovation cannot but advance directly on the citadel of bureaucratism, the manifestations of which are usually hidden behind a screen of "revolution." Thus selecting the path of renovation for the press is to select a difficult path, the manifestations of which can be fully understood and appreciated only by those in the trade or by readers who understand the newspaper profession. But there are no significant impediments to discourage us or make us retreat.

In doing newspaper work, we are more afraid of "dying" (in the hearts of readers), than of complications and difficulties.

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## BRIEFS

FAMILIES RESTORED TO REGISTRY--In 1986, 7,218 households, including 25,505 people who went to develop new economic areas, were added to the population registries of Ho Chi Minh City in the spirit of Directive 28. That result was due to the fact that the cadres and enlisted men of the public security sector, who were responsible for that task, improved their work methods and quickly performed the task of examining and verifying records. When records were complete, only 15 days after submitting applications the people were reinstated. Since the issuance of Directive 28 (June 1984) 21,193 households in the city, totalling 78,168 people, have been reinstituted. [Article by T. TH.] [Text] [Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 1 Jan 87 p 1] 5616

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